

General Conditions of Purchase

1. General

(1) These General Conditions of Purchase for Talis Management Holding GmbH, and its affiliated companies, with registered office in Germany (hereinafter together, or individually, referred to as "Buyer") apply exclusively.

(2) These General Conditions of Purchase apply to all contracts concerning the purchase and delivery of goods and/or the provision of services or factory services to the Buyer from persons who act in the exercise of their commercial or individual professional activity (entrepreneur within the meaning of § 14 of the Bürgerliches Gesetzbuch [the Civil Code, the "BGB"]) upon execution of the contract as well as to legal persons under public law and special funds under public law in the sense of § 310 para. 1 BGB. (hereinafter referred to as "Supplier" or "Suppliers"). The General Conditions of Purchase also apply in their respective version as the framework agreement for future contracts concerning the sale and delivery of goods and/or the provisions of services or factory services with the same Supplier, without the Buyer having to refer to them again. The Buyer must, however, without undue delay inform the Supplier of any new versions of the General Conditions of Purchase.

(3) These General Conditions of Purchase apply exclusively. Differing, conflicting, or supplementary General Terms and Conditions of the Supplier will become components of the contract only if, and when, the Buyer has expressly agreed to their applicability in writing. This consent requirement applies in any case, i.e. also when the Buyer, in the knowledge of the Supplier's General Terms and Conditions, unconditionally accepts the Supplier's goods and/or services, or when the Buyer has not disagreed with the Supplier's General Terms and Conditions.

(4) On a case-by-case basis, agreements made with the Supplier (also side agreements, additions, and changes) take priority over these General Conditions of Purchase. For the content of such agreements, a written agreement, or the written confirmation of the Buyer's is decisive. Legally relevant declarations and notifications which must be delivered by the Supplier to the Buyer upon conclusion of a contract (i.e. setting of deadlines, reminders, declaration of withdrawal) must be made in text format in order to be valid.

2. Bids and Bid Documentation

(1) In the event that the Buyer requests a bid from the Supplier, i.e. in the form of a request or an invitation to tender, the Buyer is in no way obligated by such a request. Even if an assumption of costs for the preparation, or submission of a bid was declared by the Buyer in writing in advance, this does not obligate the Buyer to accept the bid.

(2) Designs, certificates, etc. which are requested by the Buyer or whose submission by the Supplier is reasonable, must be made available to the Buyer by the Supplier free of charge. The Buyer does not acquire ownership of the designs and intellectual property rights contained in other documents unless otherwise agreed, or the corresponding agreement contains a transfer of intellectual property rights.

The Buyer retains copyright and ownership of diagrams, designs, calculations, technical information, data, and other documents which he makes available for the purpose of fulfillment of the order. Such documents must be kept strictly confidential and may not be made available to third parties without the prior written consent of the Buyer. They are only to be used for the manufacturing to be conducted based on our order. After order fulfillment they must be returned to the Buyer without request. No property rights and no licensing rights will be transferred to the Supplier without the prior written consent of the Buyer.

(3) An order by the Buyer is considered binding upon written submission or confirmation at the earliest. Orders may also be transmitted via E-mail or Fax.

The Supplier must confirm the Buyer's order in writing within three business days unless otherwise agreed. In the event of framework agreements the order is considered accepted if the Supplier does not confirm, or deny, the order within one week. The Supplier will be specifically informed of this at the time of the order.

(4) The Supplier will immediately inform the Buyer in the event the order contains obvious errors (i.e. typing and mathematical errors, contradictions, etc.) and omissions, which can lead to reasonable doubts that the fulfillment of the agreement may not correspond to the Buyer's needs, or the Buyer's customer's needs. In such a case the Supplier will grant the Buyer a reasonable time to think over the order and, if necessary, change it, otherwise the agreement will not be considered concluded.

(5) The Buyer can request changes to the order at any time provided these are required due to specific operational reasons and the changes are customary, or reasonable, for the Supplier. The Supplier will do his best to ensure that a change in the contract does not lead to a later delivery time. In the event that a postponed delivery dates is likely he must immediately inform the Buyer of this likely postponement. The Supplier will share costs arising from the necessary changes that arise with the Buyer (cost increase or cost decrease) and the parties will reach an agreement regarding prices changes before the change in the order becomes effective.

(6) The Supplier will accept changes in the quantity order of up to minus, or plus, 25% of the original quantity ordered without claims of increased unit costs being made valid.

The Buyer is entitled, at any time, to cancel orders in whole, or in part, in the event of factually justifiable reasons. The Buyer is also entitled to postpone the agreed upon deadlines for the provision of services or delivery of goods by the Supplier, according to equitable discretion, when such a postponement appears reasonable to the Buyer.

3. Prices, Terms of payment

(1) The price specified in the order is binding. However, proviso in § 2 (5) applies. All prices are considered inclusive of statutory value added tax.

(2) Unless otherwise agreed the price includes all services and ancillary services of the Supplier (i.e. assembly, installation) as well as all additional expenses (i.e. proper packaging, transportation costs including possible transportation and liability insurance) for delivery to the address specified in the order. The return of packaging materials requires a separate agreement.

(3) The agreed upon price is due, net, within 30 days after receipt of the proper invoice. The complete delivery and provision of services or goods (including an agreed upon acceptance, if applicable) is a prerequisite.

(4) If the Buyer makes an advance payment such a payment must be covered by a bank guarantee of the same amount.

(5) The Buyer is entitled to offset receivables of the Supplier's against the Buyer with the Buyer's receivables against the Supplier.

4. Delivery, Transfer of risk, Property, Default of Acceptance

(1) The delivery will be made at the address specified in the order (destination). Unless otherwise agreed DDP (destination) Incoterms 2010 is considered agreed. There is a consensus that the destination for the deliveries may also be on the grounds/sites of the Buyer's customers outside of Germany, or Europe.

(2) The transfer of risk conforms to the provisions of the agreed upon Incoterms. However, in the event that the agreement provides installation on site and/or initial operation the transfer of risk does not occur before successful completion of the installation and/or initial operation, whichever is relevant in accordance with the Supplier's contractual obligations. If an acceptance is agreed this is decisive with regard to the

transfer of risk. Also, apart from that, the legal requirements of the German law on contracts of work and services (Werkvertragsrecht) apply accordingly in the event of an acceptance. The transfer of the property takes place in the moment in which the goods ordered arrive at the destination, at the latest, however, after 50% of the agreed upon purchase price for the corresponding goods has been paid.

(3) The Supplier has no right to claim retention of title rights to delivered goods, or to goods which have already been 50% paid for.

(4) For the occurrence of default of acceptance by the Buyer the legal provisions apply. The Supplier must, however, clearly offer the Buyer the service when a specific, or definable calendar date, is agreed for an action or participation on the Buyer's side (i.e. provision of materials). If the Buyer's falls into default of acceptance the Supplier may request replacement of his additional expenses in accordance with the legal provisions. If the contract concerns an unjustifiable item (unvertretbare Sache) (single-unit production) manufactured by the Supplier the Supplier is only entitled to further rights if the Buyer obligated himself to assistance and is responsible for the failure to provide assistance.

(5) The Supplier is obligated to offer the Buyer replacement parts which cannot be purchased from another side for the length of the normal technical use, but, at minimum, for 20 years after the last delivery. Before the Supplier discontinues the delivery of replacement parts the Buyer must be informed and given the opportunity to make a final order.

5. Delivery time and Delivery default

(1) The delivery time specified in the order is binding. The Supplier is obligated to immediately inform the Buyer in writing if he expects not to be able to comply with the delivery time - whatever the reason.

(2) If the Supplier fails to provide the services or to deliver the products, or fails to provide or to deliver them within the agreed upon delivery time, the Buyer's rights -in particular to withdrawal and compensation for damages- are determined by the legal provisions. The provisions in (3) through (5) remain untouched.

(3) If the Supplier is in default the Buyer can - in addition to further legal claims - demand liquidated damages (pauschalierter Schadensersatz) of the damage caused by the delay in the amount of 0.5% of the value of the delivery affected by the delay per completed calendar week, for a total of no more than 5% of the order value for the goods affected by the delay. The Buyer reserves the right to prove that he suffered higher damages. The Supplier retains the right to prove that the Buyer suffered no damages, or only significantly lower damages.

(4) In the event of a default the Supplier will indemnify the Buyer against claims from the Buyer's customers, or another third party, including, but not limited to, lost profit and compensation for damages for default, contractual penalties, damages and/or consequential damages and/or payments as a result of claims for recourse against the Buyer.

(5) Complete and correct documentation and, above all, the delivery of Supplier declarations are an essential component of the Supplier's delivery obligation. A service or delivery is considered late if the correct documents are not presented on time.

(6) In the event the Buyer has legitimate doubt whether the Supplier is capable of meeting his obligations in a timely manner, or of sufficient quality, the Buyer shall inform him in advance of his doubts and grant the Supplier a reasonable time period to comment on his work and -if necessary- to improve upon it and/or to speed up the work. The term "reasonable" time period is understood as a period of time after which the Buyer is still able to undertake measures to decrease or avoid, adverse consequences which are, or could be, traced back to the Supplier.

In the event that the Supplier is not in a position to speed up his work and/or improve the quality up to a degree which permits the achievement of the important milestones, then the Buyer is entitled to:

- delegate specific work orders to third parties or to conduct them himself at the Supplier's expense,
- delegate all remaining worked orders to third parties, or to conduct them himself, at the Supplier's expense,
- to terminate the contract.

6. Force Majeure

Force majeure events, which are defined as circumstances which lie out of the contractual parties' control and could reasonably not be foreseen by either of them (strikes and lockouts are, however, not to be considered force majeure events) and which prevent a contractual party in whole, or in part, from fulfilling their obligations release the corresponding contractual party for fulfilling this contract as long as the condition of force majeure exists.

The contractual party affected by the event of force majeure must without undue delay inform the other party. The contractual parties will determine by mutual agreement whether, after the event of force majeure has ended, a supplementary performance for the services or delivery of goods which could not be rendered during this period should take place.

In the event that an event of force majeure lasts longer than 6 weeks, or lasts so long that it seriously endangers milestones agreed upon between the Buyer and its customers, then the Buyer is entitled to:

- transfer specific work orders to third parties at its own expense or to conduct them itself,
- transfer all still outstanding work to third parties at its own expense or to conduct the work itself,
- to terminate the contract.

7. Packaging and Shipping

(1) The Supplier is obligated to comply with the Buyer's, and the Buyer's customer's specifications and requirements with regard to packaging and labeling. Legal requirements must be met. The Supplier is obligated to comply with all applicable national, supranational, international, and local

- export control-legal provisions
- requirements for customs authorities
- packaging ordinances
- labeling regulations
- transportation regulations

(2) A bill of delivery must be included in the delivery which indicates the date (issue and shipment), contents of the delivery (product number and quantity), and order identifier of the Buyer (date and number). If the bill of delivery is missing, or incomplete, the Buyer is not responsible for resulting delays in processing and payment. Separate from the bill of delivery the Buyer must be sent a corresponding dispatch notification with the same content.

In the event that an activity, or an omission, by the Supplier leads to damaged goods, delay, non-approval for export or import, or another adverse effect for the Buyer and/or a third part, then the Supplier is liable and holds the Buyer harmless.

(3) The Supplier must inform the Buyer accordingly immediately after shipment of the goods.

8. Suppliers and Subcontractors

(1) The Supplier is not entitled to render the services owed by him through third parties (e.g. subcontractors) without the prior written consent of the Buyer. The Supplier carries the procurement risk for his services and/or goods unless it concerns a single-unit production.

(2) The Supplier will do his utmost in order to ensure that he himself, as well as the subcontractors, fulfill the Buyer's requirements resulting from the agreements. In the event that these requirements are not fulfilled the Buyer has the right to withdraw from the contract.

The Supplier has the sole responsibility and liability for the services provided and the non-fulfillment of services through his subcontractors.

[3] In no case - if not expressly otherwise agreed - an order by the Supplier must be laid out so that a contractual relationship is made between the subcontractor and the Buyer.

[4] The Buyer has the right to inspect the Supplier's facilities and premises, and those of his subcontractors, in order to check the progress of the work. Such inspection must be announced by the Buyer two business days in advance. The Buyer may request regular written progress reports.

9. Liability for defects

[1] The Supplier guarantees that the delivered goods are of the agreed upon or usually specified appearance and workmanship, and corresponds to the state-of-the-art technology as well as the applicable specifications and norms and underlying models, free of defects, and are new and suitable for the intended purpose.

[2] Unless otherwise agreed the goods must be inspected by the Buyer within a reasonable period of time for obvious quality or quantity deviations. A notice of defects by the Buyer is timely if raised within a deadline of 5 business days, is computed upon receipt of delivery, or in the case of hidden defects, is raised in time after its discovery. In this respect the Supplier waives objection of late notice of defects. In the case of transit business the notice of defects by the end customer is decisive. The Supplier bears the cost and risk of sending back defective delivery items.

[3] In the event of defectiveness of the goods the Buyer is entitled to the legal rights and claims for supplementary performance, withdrawal, or price reduction as well as compensation for damages or compensation for wasted expenses unabridged and unchanged. Within the scope of the supplementary performance the Buyer is entitled at his choice, either to the remedy of the defect, or delivery of a defect-free product, from the Supplier. The Supplier is obligated to bear any expenses for the purpose of remedying the defect, replacement delivery or remedying of the damage, in particular transportation, road costs, work and material expenses. If the Supplier fails to fulfill the supplementary performance within a reasonable period of time, upon the Buyer's legitimate request, then the Buyer is also entitled in urgent cases, to conduct the remedying of the defect himself, or through a third party, at the Supplier's expense. The Supplier must undertake the supplementary performance within one week of notification of the discovery of the defect by the Buyer and to bring the repaired product, and/or the replacement delivery, to the site of use at its costs. In urgent cases this deadline may be reasonably shortened by the Buyer.

[4] Provided the law does not specify a longer statute of limitations rights and claims as a result of defects fall under the statute of limitations within 3 years from delivery or, if required, acceptance. However, differing from this, rights and claims as a result of defects of title fall under the statute of limitations, at the earliest, 6 years after delivery, or if required, acceptance.

[5] For products affected by defects which are manufactured in a series (serial damage) the Supplier must do everything in his power in order to avoid damages, or to limit them to a minimum. The Buyer is entitled to demand the exchange of damaged products at the Supplier's expense (incl. customs clearance, taxes, packaging and transportation, expenses for the end user) and to reject all products from the series with serial damage even if they do not display any defects. Sorting, and other expenses, which result from the identification of the defective products must be borne by the Supplier.

[6] For parts of the delivery which are refurbished or repaired within statute of limitations, the statute of limitations begins again at the point in time at which the Supplier has completely fulfilled the Buyer's claims for supplementary performance.

[7] In the event of subsequent improvements due to defects the parties agree that the place of performance for the supplementary performance will be the location of the use of the defective product. All expenses which the Buyer incurs in connection with the supplementary performance of the defect must be reimbursed by the Supplier.

10. Health, Safety, and Environment (HSE), Safety Logistics, Social Standards

[1] The Buyer and the Supplier considered themselves obligated to protect the environment and to help preserve natural resources as much as possible as well as, insofar as is technologically and economically possible to minimize adverse effects on the environment. Under all circumstances legal provision must be complied with. The contractual parties will endeavor to avoid dangers and negative effects which the products could pose for people. Inasmuch as the Buyer is legally obligated to take back products and/or to dispose of his products the Supplier must take back the products in the same conditions which were agreed upon on the other side between the Buyer and the Buyer's customer, or a third party.

The Buyer and the Supplier should - even beyond the duration of this agreement - cooperate in a quick and effective manner with one another in order to eliminate detected or apparent hazards which result from their products and work so that no one can be endangered by their products and their application and/or the work associated with them (Safety Logistics).

Upon request, the Supplier must verify that he meets international HSE standards.

[2] The Supplier is obligated to fulfill the contract only with the delivery of goods and/or the provision of services or works which can be obtained or manufactured compliant with the national and internationally applicable minimum standards relating to labor law, in particular, all conventions of the International Labor Organization ("ILO") with regard to employment rights, working hours, compensation and occupational health and safety, as well as all respective applicable legal and regulatory provisions.

The Buyer requires the Supplier, in particular, to recognize human rights and observe them. This includes, primarily the recognition of Universal Declaration of Human Rights (UNDR) of the General Assembly of the United Nations as well as the European Convention on Human Rights (ECHR).

The Supplier will ensure that neither it, nor its employees, discriminates against other people based on their gender, their age, their ancestry, their race and color of their skin, their language, their homeland and social origin, their nationality, their beliefs, their religious or political affiliations, or their sexual orientation, or a disability.

Further, the Supplier will ensure fair working conditions in accordance with the defined ILO core labor standards at him and at his supply chain. These are social standards recognized worldwide for the improvement of working and living conditions for all people. The minimum standards specified in the core labor standards of the ILO result from various international agreements. They address subjects such as, in particular, the ban, or abolishment of forced and compulsory labor, the protection of the right to the freedom of association, the right to collective bargaining, equal pay for male and female workforces, discrimination in employment and occupation, the minimum age for employment as well as the elimination of child labor.

[3] The Supplier is obligated to ensure that his Suppliers and/or subcontractors also comply with the above named standards.

11. Compliance Code

The Supplier is obligated to comply with the TALIS Compliance Code. This can be viewed at www.talis-group.com.

12. Intellectual Property Rights

[1] The Supplier will indemnify and hold harmless, to full extent, including the expense of legal defense, the Buyer regarding all claims raised against the Buyer which result from the Supplier's violation of industrial property rights, including, but not limited to patents, trademarks, copyrights, licenses, know-how, etc.

[2] The Buyer transfers no ownership of his own intellectual property rights, or those of his customers, unless expressly otherwise agreed.

13. Insurance

[1] The Supplier is obligated to maintain a reasonable, expanded product liability insurance for personal injury, property damages, financial losses, and environmental damages with an insured sum of 10 million EUR at a minimum.

If the Buyer is entitled to additional claims these remain untouched.

[2] If the Supplier does not meet his obligations to obtain corresponding insurance the Buyer is entitled to extraordinarily cancel the contract and to claim all his financial losses which arise as a result of the cancellation from the Supplier. The Supplier is obligated to present the corresponding insurance verification.

14. Documentation, Certificates

The Buyer must produce all necessary documentation, including certificates and Supplier declarations. For his services or goods the Supplier must prepare a binding declaration concerning the origin of the services or goods to be provided so that the customs authorities may conduct a correct evaluation of the preferential/non-preferential origin.

Unless otherwise requested, mandatorily legally prescribed, or dictated by usual business practice, the Supplier must, upon request, submit all required documents and certificates for the delivered, or still to be delivered, goods, or for the provision of services.

15. Non-disclosure covenant

The Supplier is obligated to keep all information concerning the Buyer, including, but not limited to, inquiries, bids, designs provided, etc. strictly confidential. The obligation to confidentiality applies, in addition to the operative business processes and organizational relevant obligation to confidentiality, to all information which is identified as confidential, or is recognizable as operational, or business secrets, as well as to all technological know-how. Information about the Buyer which is not yet publicly known must receive the consent of the Buyer before being distributed.

The legal provision of the respective applicable national and international data protection acts must be observed.

The Supplier will instruct employees affected, and if necessary, third parties, of the above obligations.

In the event of the violation of the obligation to confidentiality, the Supplier acknowledges that the Buyer is entitled to assert claims against the Supplier for all direct and indirect damages resulting from this violation.

16. Provision of Property of the Buyer's or a Third Party

[1] In the event that the Buyer, or a third party upon the Buyer's request, provides tools, models, drafts, designs or other physical, or non-physical goods to the Supplier in order to make the Supplier's fulfillment of the contract easier, the goods made available remain the property of the Buyer, or the third party, who provided them.

[2] The Supplier is obligated to use the goods provided only for the purpose of fulfilling the corresponding order. They must be returned immediately after they are no longer necessary for the execution of the agreement, the contract is cancelled, or the Buyer requests their return.

[3] If agreed that the Supplier should provide special tools, models, designs, or other physical or non-physical goods in order to manufacture his products, or parts, these become the property of the Buyer and the above provision shall be applied.

[4] The goods - where relevant - must be identified so that they are apparent, and unmistakable recognizable, as the property of the Buyer's or the third party. Storage, care, servicing and repairs as well as the maintenance of the tools are the Supplier's responsibility. He will bear the corresponding expenses. The Buyer is not responsible for damages which result from the use of the goods provided. This does not apply if the damages are based on the willful intent of the Buyer.

[5] In the event that the material provided by the Buyer is combined, mixed, or otherwise joined with the Supplier's material the property of the combined materials is determined in accordance with the processed values of the combined goods.

[6] The Supplier is not entitled to combine, mix, or otherwise combine software, in whole or in part, provided by the Buyer, or third parties, with other software, or parts of software, or to decompile it, without the prior written consent of the Buyer. Software or parts of software which are provided by the Buyer, or by third parties upon the Buyer's request, may only be passed on to the Supplier's employees who have a legitimate interest in the provision of the software. The Supplier must ensure that software, or parts thereof, is not made accessible to third parties.

17. Compliance with the REACH Regulation

The Supplier is, and remains solely, responsible for ensuring that the products, parts of products, or materials delivered, correspond with the requirements of (EU) Regulation No. 1907/2006 (REACH) from 18 December 2006 with the applicable changes, and including all appendices and addendums, as well as all national regulations which were carried into effect in connection with this regulation. The Supplier guarantees that all obligations from this REACH Regulation have been met. In the event that the Buyer is confronted with financial losses, or claims from third parties which can be traced back to non-compliance with the legal provisions in accordance with the REACH Regulation and the national legislation, the Supplier is obligated to hold the Buyer harmless and indemnifies him in regard to all claims, liability, loss, damage, judgment, and external responsibility, and to bear the resulting damages or losses incurred by the Buyer.

18. Severability clause

Should a provision, or part of a provision of the contract, or these General Conditions of Purchase be invalid, or become invalid, the validity of the remaining content of the contract, or the General Conditions of Purchase will remain untouched. The parties of the contract obligate themselves to replace the invalid provision with one which comes as close as possible to the original economic contractual purpose.

19. Non-assignment of receivables

The Supplier is not entitled, to assign confirmed, or assumed, claims against the Buyer, or against the Buyer's customers, in accordance with an agreement between the Buyer and a customer, without the prior consent of the Buyer.

20. No reference to Buyer or TALIS

The Supplier will not use the name of Buyer, or the customer of Buyer, or a project to which the Supplier contributed due to an order issued by the Buyer to the Supplier, as a reference without the prior written consent of the Buyer, or TALIS.

21. Place of Jurisdiction, Applicable Law

The sole place of jurisdiction shall be the registered office of the Buyer. The Buyer is, however, entitled to sue the Supplier at his registered office.

The substantive law of the Federal Republic of Germany shall apply. However, the "UN Convention on Contracts for the International Sale of Goods" (UN Sales Convention) shall not apply.

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