

## 1. Scope

1.1 Our purchase conditions are applicable only vis-à-vis entrepreneurs as provided for by § 14 of the Civil Code (BGB) if the contract belongs to the operation of the enterprise, as well as vis-à-vis legal persons under public law and special public funds within the meaning of § 310 para. 1 BGB.

1.2 The present purchase conditions are applicable to all business transactions (deliveries and services) with the supplier, even if these conditions are not explicitly referred to. Any conditions of the supplier contrary to these conditions or deviating therefrom will not be recognized unless we have especially approved their validity in writing. Particularly, the acceptance of deliveries or services or payment do not constitute an approval. Confirmation or execution of our order shall constitute acceptance of the purchase conditions.

1.3 Our purchase conditions are also applicable to all future deliveries and services of the supplier to us, until our new purchase conditions have become effective.

## 2. Conclusion of Contract, Documents

2.1 An order shall be deemed given when it is drawn in writing and signed by our purchasing department. Other departments can not issue orders. We shall only be bound to our order if it has been confirmed in writing by the supplier at the latest within a period of one week from its receipt.

2.2 Deviations from the content of our order and subsequent amendments to the contract shall only be agreed if we have confirmed them in writing.

2.3 Verbal agreements prior to or at the signing of the contract must be confirmed in writing in order to become effective. Moreover, verbal agreements after the signing of the contract as well as ancillary arrangements of all kinds shall require our written confirmation in order to become effective.

2.4 We reserve all rights of ownership and copy rights to pictures, drawings, calculations or other documents. These documents shall be used exclusively for production purposes in accordance with our order. They shall be kept secret and returned to us after completion of the order without a special request.

## 3. Prices, Conditions of Payment

3.1 The price listed in the order shall be binding without consideration of any possible currency fluctuations and does not include the statutory added value tax for domestic deliveries. Failing a written agreement the price includes delivery free of charge to address of buyer (DDP Incoterms 2010) including packaging, transportation insurance and customs duties. Return of the packaging must be specially agreed upon.

3.2 We shall only be able to process invoices if, in addition to the statutory standards, our order number and order date is listed pursuant to our standards in the order. The supplier shall be liable for all consequences resulting from noncompliance with the foregoing obligation.

3.3 Unless anything different has been agreed upon in writing we shall make payment on the invoices within 14 days, calculated from the date of delivery and receipt of the invoice with 3% discount, or within 60 days net.

## 4. Period of Delivery, Default of Delivery

4.1 Dates and periods agreed upon are binding and shall be exactly complied with. They run from the date of our order. The receipt of the goods here or at the location agreed upon and/or directed by us determines the date.

4.2 As soon as the supplier is able to recognize that there might be delays in delivery, he shall immediately inform us of such fact. This does in no way change the binding force of the date of delivery agreed upon.

4.3 If the delivery takes place prior to the date agreed upon, we are entitled to refuse acceptance. Moreover, partial deliveries may also be rejected.

4.4 In the event of a default of delivery, we shall be entitled to statutory claims. Furthermore, in the event of a default of delivery we shall be entitled to claim a penalty for non-performance of the contract in the amount of 0,5% of the price of the delivery for each full week of default of delivery, however, not to exceed a total of 5% of the value of the delivery. We are entitled to claim the contract penalty in addition to performance. The reservation required pursuant to § 341 para. 3 BGB may be claimed until full payment of the service has been made. Claiming of any further damage is not excluded by the contract penalty.

4.5 The figures determined by us at the occasion of the incoming-lot-control shall decide the number of units, weights, and measures, unless evidence to the contrary is presented.

## 5. Transfer of Risks, Documents

5.1 Unless anything to the contrary has been agreed upon in writing a delivery shall be made free of charge to address of buyer. It is applicable to import transactions 'delivered, duty paid D-75228 Ispringen, Germany' (DDP Incoterms 2010). For Incoterms-transactions deviating clauses pursuant to Incoterms 2010 are to be agreed upon and interpreted.

5.2 The risk of a complete or partial loss, damaging or other deterioration of the goods is transferred upon us after acceptance at the location of receipt.

5.3 The supplier shall be obliged to exactly list the number and date of our order, article description and article number as well as volumes, weights and dimensions in all freight

documents and delivery notes; if he fails to do so he shall be liable for the consequences resulting therefrom. In the event of incorrect vendor declarations, incorrect certificates of origin and similar certificates, the supplier shall be obliged to pay damages; in particular with regard to additional customs duties caused hereby.

5.4 All shipments shall be accompanied by a delivery note. Pallets or shipments shall be handled order-related. In addition, on the date of dispatch an advice of dispatch shall be sent to our purchasing department and to the indicated destination address.

## 6. Claims for Defects and Recourse

6.1 The supplier shall ship only those goods which have been tested in detail and found to be good and, therefore, waives a detailed incoming-lot-control here. As far as and as soon as it is appropriate in our due business operations we shall inspect the incoming goods at random and complain of defects discovered within a period of two weeks after their discovery. In this respect the supplier waives the objections of a belated customer's complaint pursuant to § 377 of the Commercial Code (HGB).

6.2 The supplier shall guarantee that the goods supplied and services rendered are in compliance with the rules of law or of authorities which are applicable to their distribution or use, and that they do not infringe upon any industrial property rights and other rights of third parties. The deliveries and services shall comply with the current state of technology or the state of technology to be expected in the future as well as with all other statutory regulations, technical test rules and accident prevention rules. Especially, all DIN-standards and VDE-regulations shall be complied with.

6.3 We are unrestrictedly entitled to take recourse to legal rights for redhibitory defects and deficiencies in title. We have the right of selecting the type of subsequent performance (remedy of defects or replacement delivery). The supplier shall pay all costs incurred for the purpose of remedying the defects or making replacement delivery. In the event that the supplier fails to comply with the request to remedy the defects or make replacement delivery within due time, or in an unsatisfactory manner, or if immediate remedy of defects is urgently necessary, we shall be able to remedy the defects at the supplier's cost or repair them ourselves, or make covering purchases at the supplier's expense.

6.4 Unless something different has been agreed upon, a limitation period of 36 months from the date of transfer of risk shall apply to claims for redhibitory defects. This limit is extended by the time used by the supplier for repair or replacement measures from the date of receipt of our notice of defects, until he declares completion of the measures or refuses further repairs or replacement. A limitation period of 10 years is applicable to deficiencies in title.

6.5 Relating to parts overhauled or repaired within the period of limitation of our claims for defects, a new period of limitation starts on the date on which our claims for subsequent performance have been completely satisfied by the supplier.

6.6 If we should incur costs because of defects of the item supplied, especially costs of transport, traveling, work, or material, or costs for an incoming-lot-control in excess of the normal extent, or for sorting out measures, the supplier shall reimburse us for these costs.

6.7 We have the rights provided for a recourse of an entrepreneur pursuant to §§ 478, 479 BGB against the supplier, even if no purchase of consumer goods has occurred. In the event that we should take back products manufactured and/or distributed by us due to a deficiency of a contractual object delivered by the supplier, or if the purchase price has been reduced to us for that reason, or if we have been held liable for that reason in any other way, we reserve the right of recourse towards the supplier, and fixing of a time limit, which would be required otherwise, shall be not needed in such case.

6.8 We have the right to request reimbursement of the costs from the supplier which we had to bear in relation to our customer, because the latter holds a claim against us for reimbursement of the costs required for the purpose of subsequent performance, especially costs of transport, traveling, work, and material.

6.9 In cases No. 6.7 and 6.8 limitation shall start at the earliest after the date on which we have satisfied the claims raised by our customer against us, at the latest, however, five years after delivery by the supplier.

6.10 If a redhibitory defect is revealed within a period of 6 months from the date of transfer of risk, it is assumed that this defect has existed already at the transfer of risk, unless such assumption should be incompatible with the character of the matter of the defect.

## 7. Product Liability, Indemnification, Insurance

7.1 If we should be held liable under the Law of Product Liability or any other provisions because of a defect in a product, or if a damage should be caused for us in some other way in connection with the delivery of a defective product, especially by necessary recall, retrofitting, etc. the supplier shall on first demand indemnify us and compensate for damages as far as and to the extent that such damage was caused by a defect in the contractual object delivered by the supplier. In the cases of liability for default the foregoing shall only apply if the supplier is at fault. If the cause of the damage is within the responsibility of the supplier he shall bear the burden of evidence that he is not responsible. In these cases the supplier shall pay all costs and expenses, including the costs of possible litigation.

7.2 The supplier shall be obliged to underwrite and maintain sufficient product liability insurance with a coverage of at least Euro 3 million – as lump sum – for each personal injury and damage to property; if we should be entitled to additional compensation for damages, these shall remain unaffected.

## 8. Force Majeure, Insolvency, Inability to Pay

8.1 Force majeure, labor disputes, excusable plant interruptions, unrest, measures of authorities, and other inevitable incidents which make the performance of the contract impossible or unreasonable for us, release us for the duration of their existence from the

obligation of timely acceptance. If these events last longer and their end is not in sight, we shall be entitled to withdraw entirely or partially from the contract, if they should cause considerable diminishing of our requirements.

8.2 If a contractual partner discontinues his payments or if insolvency proceedings are applied for in relation to his assets, the other partner has the right to withdraw from the contract with respect to the unperformed portion of such contract.

## 9. Industrial Property Rights, Secrecy

9.1 The supplier warrants that the items supplied by him do not infringe upon any domestic or foreign industrial property rights, and he guarantees to us full freedom and permission under the law of copy rights for their usage and trade in this country and abroad. In the event that we should be held liable by a third party because of an infringement of domestic or foreign property rights with respect to the articles supplied, the supplier shall on first demand hold us harmless against all claims and compensate us for the damages resulting therefrom. The indemnification obligation of the supplier refers to all expenses from or in connection with a claim by a third party. The statute of limitations for these claims is ten years, beginning with the conclusion of the respective contract.

9.2 Tools, form, samples, models, profiles, drawings, standard sheets, copy fit manuscripts, gauges, and other documentation handed over by us, remain our property and shall neither be handed to third parties nor be used for personal objects of the supplier without our explicit consent. They must be protected by the supplier against undue inspection or use and must, unless something different has been agreed upon, be returned to us in proper condition at the latest together with the delivery. Nor shall the supplier be allowed to retain copies. There is no right of retention.

9.3 All technical data and other not obvious commercial or technical details with which the supplier becomes familiar due to our business relationship, shall be kept secret by him. They shall only be used in the execution of orders by us and shall only be given access to by those staff members whose insertion is required for the performance of the contract.

## 10. Tools, Provision of Materials

10.1 If tools, drawings, or other means of production are manufactured by the supplier on our order and at our costs, we are in agreement that these items shall be transferred into our ownership immediately after their production. In case we only share a part of the costs we shall acquire coownership in the proportion of our share of costs. The supplier shall revocably be entitled to carefully keep these items for us without cost. We shall acquire all copy rights of use to these items for our exclusive use. The supplier shall not have the right to use these items in extent of the scope of the order without our consent. The supplier shall be entitled and obliged to keep these items subject to revocation. The supplier shall mark these items in such a manner that our ownership is documented also in relation to third parties. The supplier shall not have a right of retention to these items.

10.2 If we provide tools, parts or other manufacturing equipment to the supplier we shall reserve ownership to these parts. Processing or remodeling by the supplier shall be performed for us. If our articles with ownership reserved are processed in combination with other items not belonging to use, we shall acquire co-ownership of the new article in proportion of the value of our product to the other articles processed at the time of processing. If the articles provided by us are inseparably mixed with other items not belonging to us we shall acquire proportionate co-ownership of the new articles. If the mixing takes place in a manner that the item of the supplier is to be considered as the principal item, it is assumed as agreed upon that the supplier will assign proportionate co-ownership to us. The supplier shall store for us the item of sole ownership or co-ownership.

10.3 If tools, parts or other manufacturing equipment which were manufactured according to No. 10.1 or provided according to No. 10.2 get damaged or perished, the supplier shall be liable in full for any damages resulting to us here from according to the legal regulations. The supplier shall be obliged to insure the tools, parts or other manufacturing equipment belonging to us at their reinstatement value for his expense against damages caused by theft, fire, water and other natural hazards. All maintenance work becoming necessary shall be performed by the supplier in due time and at his expense.

## 11. Restriction of Liability

We shall be liable for wilful misconduct and gross negligence – including wilful misconduct or gross negligence of our representatives or vicarious agents. We shall only be liable for slight negligence if a culpable violation of essential obligations under the contract are concerned which are inherent in the nature of the contract or whose violation would endanger a reaching the purpose of the contract. In case of liability pursuant to sentence 2, compensation for damages shall be restricted to the foreseeable damage. Otherwise, claims for compensation for damages of the supplier shall be excluded in case of slight negligence, regardless of the legal reason. The foregoing exclusions and restrictions of liability do not apply in the event of injury of life and limb or health.

## 12. Place of Performance, Jurisdiction, applicable Law

12.1 Place of performance for all obligations under this contract, especially for delivery and payment, shall be for both parties the principal seat of business of our company, Ispingen.

12.2 For business men and for both parties the court of jurisdiction of the principal place of business of our company shall have jurisdiction over all disputes resulting from the contractual relationship, as well as its origin and effectiveness. We shall have the option of commencing proceedings at the principal place of business of the supplier or at any other statutory place of jurisdiction.

12.3 The contractual relationship is subject to German law. UN-Sales Law (CISG) and other international agreements shall not apply.

## 13. Miscellaneous

13.1 Without our consent the supplier shall not assign to third parties any claims against us.

13.2 The supplier may only set off payments against an undisputed or legally established counter-claim. Claiming a right of retention shall only be permitted to the supplier, if the counter-claim is based on the same contractual relationship, and is undisputed or legally established.

13.3 If retention of ownership with regard to the delivered goods has been agreed with the supplier, we are entitled to sell the delivered goods and to make use of the delivered goods within the ordinary course of business.

13.4 If any particular provision of these Terms and Conditions is or becomes all or part invalid, such invalidity shall not affect the validity of the other provisions hereof. The German version of these Terms and Conditions shall be authoritative; any translations into other languages are non-binding.

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