

General Terms of Purchase

1. General – Scope

- (1) Our terms of purchase shall apply exclusively. We shall not recognise any terms, which may run contrary to or deviate from our terms of purchase unless we have explicitly consented to their validity in writing. Our terms of purchase shall also apply even if we accept the supplier's delivery without reservation in the knowledge of the supplier's terms running contrary to or deviating from our terms of purchase.
- (2) All agreements between the supplier and us to carry out this contract need to be written down in this contract.
- (3) Our terms of purchase shall apply exclusively vis-à-vis entrepreneurs pursuant to section 310 para. 4 of the German Civil Code.
- (4) Our terms of purchase shall also apply to all future transactions with the supplier.

2. Offer – offer documents

- (1) The supplier is obliged to accept our order within a period of 2 weeks.
- (2) We shall reserve property rights and copyrights to figures, drawings, calculations and other documents; they must not be made available to third parties without our explicit and written consent. They may be used exclusively for production on the basis of our order. After completion of the order they must be returned to us without request. They must be kept confidential vis-à-vis third parties. In this respect, the supplementary stipulations as set out in clause 10. para (4) shall apply.

3. Prices – terms of payment

- (1) The price specified in the order shall be binding. Insofar as nothing to the contrary is agreed in writing, the price shall include the delivery "free forwarding address", including packaging. Our address for shipment is:
Bertramsweg Tor 3; 52355 Düren
- (2) The waste disposal has to be specially arranged for. Insofar as nothing contrary is agreed, the supplier is obliged to get the packing back on its own expense at the place of delivery mentioned in the order.

- (3) Prices include the statutory value-added tax as well as any further purchase tax. In addition, price also includes additional charges for transport, packaging, insurance and temporary storage.
- (4) If parties agree to a delivery “carriage forward” exceptionally, supplier will have to note that we are customer exempted from forwarding, logistics and warehousing insurance (known as “*Verzichtskunde*”). As a consequence, supplier resp. the freight forwarder may not invoice any premium concerning forwarding, logistics and warehouse insurance.
- (5) Invoices shall only be processed if they show the identification of goods as well the proper order number shown in our order, date of order, bulk and packaging; if the supplier fails to meet this obligation, he is responsible for all consequences, unless he provides evidence that such failure is not attributable to him.
- (6) Insofar as nothing to the contrary has been agreed in writing, we shall pay the purchase price within 14 days, calculated as from the date of delivery and receipt of an invoice, with 3% discount, or net within 30 days after receipt of the invoice. If receipt of the invoice is delayed, the date of receipt shall be relevant for the discount period.
- (7) We shall be entitled to set off and to rights of retention to the extent specified by law.
- (8) The supplier may only assign any contractual claims according to this contract with our prior approval. We shall refuse the approval only for good cause.

4. Delivery period

- (1) The delivery date specified in the order shall be binding.
- (2) The supplier shall be obliged to give immediate written notification if a delay in delivery becomes foreseeable.
- (3) In the event of a delay in delivery we shall be entitled to assert a contractual penalty amounting to 0.2 % of the delivery value per day commenced but no more than 10 % in total. Rights to further statutory claims shall be reserved.

5. Transfer of risk - documents

- (1) If nothing to the contrary is agreed in writing, the goods shall be delivered at our receiving centre. The risk shall pass to us as soon as the goods are handed over to us.
- (2) We shall be obliged to accept the goods only in the time from Monday to Friday, 7.00 am – 3,30 p.m..
- (3) The supplier is obliged to fill in our correct order number in all transit documents and delivery notes; if the supplier defaults, we shall not be responsible for delays in processing.

6. Safety instructions – environmental impact

- (1) The supplier warrants that the goods delivered and the services performed comply with the statutory provisions corresponding to their utilization and with the current state of the art, in particular the rules concerning the safety of equipment, product safety, safety at work and the rules for accident prevention. Upon request, the supplier shall provide evidence. If the supplier defaults, he is liable for resulting damages.
- (2) The supplier shall be responsible for the safety equipment of his assigned employees.
- (3) The supplier is obliged to notify that the goods delivered or the services are covered by the Regulation on Dangerous Substances (*Gefahrstoffverordnung*), as the case may be. In this event, the supplier is obliged to inform us about the impact and to hand over safety data sheets.

7. Incoming goods inspection – liability for defects

- (1) We shall be obliged to inspect the goods within an appropriate period for any quality or quantity deviations. The notice of defect shall be regarded in time if received by the supplier within a period of 10 working days, calculated as from the date of receipt or calculated as from the date of discovery as far as latent defects are concerned.
- (2) We shall be entitled to the statutory warranty claims without restriction. In any case, we shall be entitled to demand rectification of defect or replacement, as we may choose. We explicitly reserve the right to damages, in particular to damages due to non-performance.
- (3) We shall be entitled to repair by ourselves in case of imminent danger and in the event of special urgency.

- (4) The warranty period shall be 24 months, calculated from the transfer of risk.

8. Product liability - indemnification – liability insurance protection

- (1) Insofar as the supplier is responsible for product damage, he shall be obliged to indemnify us from damage claims of third parties upon first request to the extent that the cause is in his area of control and organisation and he is liable vis-à-vis third parties.
- (2) Within the supplier's liability under paragraph (1), he shall also be obliged to reimburse any expenses pursuant to sections 683, 670 and sections 830, 840, 426 of the German Civil Code, arising from or in connection with a recall action made by us. We shall inform the supplier as far as possible and as far as can be reasonably expected on the content and scope of the recall measures and shall give him the opportunity to comment. Other statutory claims shall remain unaffected.
- (3) The supplier shall undertake to maintain a product liability insurance policy with a cover sum of 10,000,000 Euro per personal injury / property damage; any other damage claims to which we are entitled shall not be affected by this.

9. Industrial property rights

- (1) The supplier shall be responsible for ensuring that no third party's rights are infringed in connection with his delivery.
- (2) If action is filed against us by a third party on these grounds, the supplier shall be obliged to indemnify us from these claims upon first written request; we shall not be entitled to come to any agreements and in particular to make a settlement with the third party without the consent of the supplier.
- (3) The indemnification duty of the supplier shall refer to all expenses we necessarily sustain from or in connection with claims from third parties.
- (4) The statute of limitation shall be 10 years, calculated from conclusion of the contract.

10. Reservation of ownership – provision of material – tolls – secrecy

- (1) If we provide parts to the supplier, they shall remain our property. These objects shall always be processed or reformed for us. If the parts in which we have retained title are inseparably assembled with goods that are a third party's property, then we shall acquire co-title in the new goods. The proportion of title shall follow from the proportion of the value (purchase price plus VAT) of the goods delivered by us under retention of title and the value of the other goods.
- (2) If the objects in which we have retained title are inseparably mixed with goods that are a third party's property, then we shall acquire co-title in the mixed stock. The proportion of title shall follow from the proportion of the value (purchase price plus VAT) of the goods delivered by us under retention of title and the value of the other goods. If assembly or mixing is performed in such way that the supplier's object is to be regarded as the main object, it shall be agreed that the supplier shall transfer proportionate co-title to us. The supplier shall keep the sole property or the co-property for us.
- (3) All tools shall remain our property; the supplier may use the tools only to manufacture the ordered goods. The supplier shall insure our tools, based on original prices, against damages caused by fire or water as well as against theft, at his own expenses. The supplier herewith assigns all claims of the insurance policy; we accept assignment of the claims. The supplier shall be obliged to carry out maintenance work, inspections and repair at our tools on his own expenses. He has to inform us about any breakdown or disturbance immediately. He is liable for the damages caused if he fails to do so and such fault is attributable to him.
- (4) The supplier is obliged to keep all figures, drawings, calculations and other documents and information strictly confidential. They must not be made available to third parties without our explicit consent. This confidentiality obligation shall also apply after performance of the contract; this obligation shall expire if and insofar the knowledge in the figures, drawings, calculations and other documents became public.
- (5) In the event that the value of the securities mentioned in (1) and (2) exceeds the purchase price of our goods under reservation of title by more than 10 %, we shall be obliged to release the securities to which we are entitled upon demand of the supplier. We may choose the securities to be released.

11. Venue – Place of performance

- (1) Our place of business (Düren) shall be the venue insofar as the supplier is a merchant; however, we shall be entitled to bring action against the buyer at his place of residence.

- (2) Place of performance shall be our place of business.
- (3) The contractual relationship shall be governed by the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded.
- (4) If any of these terms should be invalid, the validity of the other terms of the contract shall remain unaffected. The statutory provisions shall replace invalid terms.