

Article 1 General

- (1) The following Terms and Conditions of Purchase exclusively govern all contracts we make with any supplier or service provider, hereinafter "Contractor", irrespective of whether these concern a purchase, work and services, work performance or service agreements (jointly hereafter known as "orders"). The Contractor's conditions as may be found in its general terms and conditions or confirmation of order are hereby expressly repudiated. The unreserved acceptance of order confirmations or deliveries does not constitute acknowledgement of such conditions. The Contractor's contrary terms and conditions will only be a component of the agreement where these are expressly agreed in writing.
- (2) Orders, etc. are binding if these are placed in writing or if confirmed in writing. If the Contractor does not accept our order within 10 working days, we are entitled to cancel the order. Order releases are binding unless repudiated by the Contractor within 5 working days.

Article 2 Prices

- (1) The prices stated in the order constitute fixed prices valid for the entire duration of the order. Price amendments in relation to a contractual amendment must be notified to us in writing immediately. These will only be binding if confirmed by us in writing. Price reductions arising in the intervening period between the time of order and payment will be passed on to the benefit of our company.
- (2) Unless otherwise agreed, delivery will be rendered carriage paid, including post and packaging, to our registered business address or another point of receipt as specified by us. The Contractor is duty bound upon our request, at its own cost, to take back all packaging including the transport packaging at the place of delivery.
- (3) The statutory VAT is not contained in the price and must be separately indicated on the invoice.
- (4) The Contractor is duty bound to include our exact order number on all shipment documents, delivery notes and invoices; if it fails to do so we are not responsible for any delays thereby caused.
- (5) Invoices are payable 30 days after receipt of goods or 14 days upon grant of a cash discount of 2%.

Article 3 Delivery dates

- (1) The agreed times and dates of delivery are always binding. The decisive time for adjudging compliance with the delivery period is the time the goods are received at our registered business address or agreed delivery address. If it fails to meet agreed delivery times/dates, the Contractor will be in default without the requirement of a reminder.
- (2) The Contractor is duty bound to inform us immediately in the event that circumstances arise or become apparent to it under which the agreed delivery time cannot be fulfilled.
- (3) We have recourse to the relevant statutory remedies in the event of a default of delivery. We are in particular entitled, following the unsuccessful expiry of a reasonable stipulated supplementary period, to demand compensation in lieu of performance and/or to cancel the agreement. If we demand compensation, the Supplier has the right to demonstrate to us that he was not responsible for the breach of duty. Irrespective of the right to assert claims in respect of consequential damage/loss resulting from the delay, it is agreed that a contractual penalty will be payable at the rate of 2% of the net order value for each week commenced, up to a maximum sum of 10% of the net order value.

Article 4 Transfer of risk, force majeure

- (1) The risk of damage and loss of orders will pass to us upon the receipt of the delivery at our registered business address or the point of receipt specified by us. If acceptance is required, the risk only passes upon said acceptance.
- (2) Circumstances relating to force majeure, including strikes, lock-outs and well as transport interruptions and interruptions within our operations for which we are not responsible release us from our duties under this agreement for the duration and to the extent of the said interruption and – irrespective of our other rights – entitle us to complete or partially cancel the agreement provided the duration of these events is significant in length.

Article 5 Guarantee

Our rights in relation to material defects and defects in title apply accordingly with the following supplements:

- (1) Our duty to promptly notify defects is fulfilled if the said notification is made within 14 days following receipt of the goods. In relation to hidden defects, the said notification is deemed to be made promptly if it is delivered within 14 days following the identification of the defect.
- (2) The Contractor warrants compliance with the generally accepted technological standards and all rules and regulations issued by statutes or through supervisory authorities or employers' liability insurance associations in relation to performance, prevention of accidents, environmental protection and the protection of health and safety.
- (3) The limitation period for our claims in respect of defects is three years from the time delivery is received, unless the law prescribes a longer period in this regard. In those cases where it is agreed that the performance of the Contractor must be accepted, the limitation period starts with the acceptance.
- (4) In the event of the delivery of defective goods or services, we are entitled to demand subsequent improvement or replacement delivery. In relation to risk arising in the event to default, or if the Contractor is in default of subsequent performance as demanded by us or refuses to undertake such subsequent performance or if such subsequent performance as demanded by us proves unsuccessful, we are entitled to rectify the defect at the cost of the Contractor or to arrange that the said defect be rectified or procure a substitute. We are entitled according to our best judgement to decide when risk arising in the event of default is established. Following the expiry of any extension of time stipulated for the Contractor to eliminate a defect, we are entitled to eliminate the defect ourselves or arrange for this to be performed by a third party. In either event the Contractor will bear the costs incurred.
- (1) The Contractor is liable for replacement deliveries and subsequent improvements to the same extent as it is for the original delivery. The warranty period for replacement deliveries will start no earlier than upon the day of replacement delivery.

Article 6 Liability/disclaimer

- (1) Our contractual and non-contractual liability is limited to the following extent:
- We are liable to pay compensation according to the statutory provisions for deliberate and grossly negligent culpability in relation to contractual negotiations, in rendering our contractually-owed performance or in relation to the breach of contractual duties of care and upkeep together with any accessory duties.
 - In relation to breaches of duties that specifically endanger the achievement of the contractual purpose or the life and limb of the Contractor, including in the case of slight negligence, we are liable for insurable damages and losses typically foreseeable given the nature of the contract.
- (2) The liability provisions set out in para. 1 above are conclusive.
- No other more extensive compensation claims may be asserted against us. Not included in this are claims based on the German Product Liability Act (ProdHG). Claims made against us for the compensation of damage/losses or the reimbursement of costs based on our contractual or non-contractual liability are subject to a limitation period of one year. This limitation period does not apply to personal injury or the liability for intentionally caused damage/losses. This period commences at the end of that year in which the claim is established and the customer became aware of the circumstances underlying the claim or would have become so aware were it not for its gross negligence. The limitation period will become effective no later than upon expiry of the maximum time limits set out in Section 199 paras. 3 and 4 German Civil Code.

Article 7 Product liability, insurance

- (1) The statutory regulations apply accordingly. In the event that claims are made against us on the basis of the product liability laws, the Contractor must indemnify us for third party claims based on damage/loss sustained as a result of the goods supplied by the Contractor. Where the cause of damage lies within the Contractor's sphere of responsibility, it will bear the associated burden of proof. These entitlements encompass all costs and expenses including the costs of a legal action. The Contractor is obligated to reimburse reasonable costs for a recall campaign made necessary due to the product liability laws.
- (2) The Contractor will arrange adequate insurance to cover all risks in relation to product liability and will present the corresponding insurance policies for inspection as demanded. The foregoing is without prejudice to our own claims against the Contractor.

Article 8 Quality assurance

The Contractor must operate a quality assurance program suitable for the type and extent of the works/services involved. This quality assurance program must correspond to the state-of-the-art and will be demonstrated upon demand.

Article 9 Assignment, set-off, retention

- (1) The rights of the Contractor established by the order may only be transferred with our prior consent. In particular, the works/services to be performed may not be executed by any third party without our prior written consent. Our prior written consent is also required in relation to any assignments of receivables vis-à-vis third parties.
- (2) We have the right to set-off undisputed or legally enforceable counter-claims against our liabilities to the Contractor.

Article 10 Materials provided by us, Retention of title

- (1) We retain our title in any materials we provide to the Contractor. Processing and alterations performed by the Contractor are undertaken on our behalf. If our company's goods subject to this retention of title are combined with other items not belonging to us, we thereby acquire co-ownership in the new item to the extent of the value of our goods compared to that of the other items at the time of processing/combination. The same applies in the event that our goods subject to this retention of title are mixed with other items.
- (2) The Contractor will safeguard our sole or joint rights of ownership on our behalf and at no charge. It will, at its own cost, insure the said goods against fire and theft for our benefit. Materials provided in this respect may only be used for our orders.
- (3) We do not accept any prolonged or extended retention of title in favour of the Contractor. The Contractor permits us to process, rework and dispose of delivered goods in terms of our normal business operations.

Article 11 Temporary provision of tools and machine fittings

- (1) We retain the ownership in tools and machines fittings made available to the Contractor. The Contractor is obligated to only use such tools and machines fittings for the manufacture of the goods and services ordered by us. They may not be used, reproduced or otherwise made available to third parties for other purposes and must, moreover, be kept in safe custody taking the due care of a diligent businessman. The Contractor is also obliged, at its own cost, to insure our tools and machines fittings against fire and water damage and against theft and to assign to us any compensation entitlements established by the insurance agreement.
- (2) The Contractor is also obliged to undertake all requisite service and inspection works as well as, at its own cost, to undertake all maintenance and repair works. The Contractor must report any faults immediately. If it fails to do so, any compensation claims remain unaffected.

Article 12 Protective clauses and copyright

- (1) We retain ownership of any drawings, drafts, samples, manufacturing guidelines, internal data, etc. belonging to our company which we provide to the Contractor to enable it to prepare an offer or execute an order. These items and materials may not be used for any other purpose, reproduced or made available to any third party; they must also be kept in safe custody taking the due care of a diligent businessman.
- (2) The Contractor gives an assurance that, in using the goods according to the terms of the contract, no third party conflicting rights are infringed, particularly including any third-party industrial property rights. In the event that a claim is nevertheless asserted against us by reason of a possible breach of third-party rights (e.g. the breach of copyright, patent or other industrial rights), the Contractor will indemnify us in respect thereof and in respect of any associated payable (compensation) claim.

Article 13 End of the agreement

- (1) Each contractual party has the right to terminate the agreement or refuse acceptance of an order where a fundamental reason exists for doing so. A fundamental reason is established, in particular, if insolvency proceedings are commenced or are denied due to lack of assets or if out-of-court composition proceedings take place or if the entitlements of the counter-party are made the subject of a lien and the said lien is not extinguished within two weeks.
- (2) The termination of contract for a fundamental reason must be implemented by means of a written reminder (to remedy or desist) with threat of contractual termination, reason for termination and stipulation of a period for compliance, unless it is unreasonable to expect the terminating party to tolerate the resulting delay.

Article 14 Miscellaneous

- (1) These General Terms and Conditions replace all previous agreements made between the contractual parties. Amendments, supplements, additional agreements and stipulations of subsequent periods (for performance, etc.), cancellations and the assumption of guarantees must be made in writing in order to be effective. In order to satisfy this requirement of the written form, the contractual parties may also send documents by fax or email.
- (2) If any of the provisions of these Terms and Conditions of Purchase are wholly or partially invalid, this does not affect the validity of the remaining provisions. The invalid provision will be replaced by a statutory regulation that most closely fulfils the intentions pursued by the original.
- (3) This agreement is governed exclusively by German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
- (4) Unless otherwise agreed in writing, the place for performance of all contractual obligations is Meckenheim.
- (5) All disputes arising out of this agreement will be heard before the applicable court in Rheinbach. We have the right to pursue a legal action against the Supplier before that court with jurisdiction over its registered address or before any other court granted jurisdiction on the basis of national or international law.