

1. Applicability

Our Terms and Conditions of Purchase only apply for companies within the meaning of § 14 of the German Civil Code (BGB). These Terms and Conditions of Purchase shall apply for all business transactions with the Supplier even if no specific reference is made to them in these Terms and Conditions.

Contradicting or deviating General Terms and Conditions of the Supplier shall not be recognized unless we have expressly agreed their validity. In particular, acceptances of deliveries or services or payments thereof constitute no approval of the deliveries or services. Our Terms and Conditions of Purchase shall also apply for future business conducted with the Supplier even if they are not specifically referred to in an individual case.

2. Order Placements and Order Acknowledgements

We shall only be committed to an order if it is expressly confirmed by the Supplier within 10 days of receipt of the order. The order acknowledgement shall make specific reference to the price and delivery date.

Any special agreement must be confirmed by us in writing in order to be valid.

If errors occur without negligence on our part during the contract conclusion process, e.g. on account of transmission errors, misunderstandings, etc., any obligation of damages by us pursuant to § 122 of the German Civil Code (BGB) shall be excluded.

3. Delivery Notes, Invoices

The Supplier shall enclose the relevant delivery notes with its deliveries.

Invoices shall be issued in duplicate. Details of the order are to be stated on the invoice. The designation of delivered goods must exactly correspond to the designation included in the order. Invoices must include details of the delivery note number, the appropriate reference or number on the goods or their packaging, the quantity of goods, the gross and net weight, the order date and the order number.

4. Delivery, Packaging and Transfer of Risk

Deliveries shall be made with all freight, packaging, costs and expenses paid up to the delivery address stated in the order unless expressly agreed otherwise.

The transfer of risk to us shall only pass upon receipt by us at the location specified as the delivery address. If the delivered goods are to be erected or installed, the risk shall be transferred to us upon acceptance in our works but at the latest 6 weeks after receipt of the goods.

The following materials are inadmissible as packaging:

PVC foils, polystyrene chips, polystyrene packaging, composite packaging (e.g. coated paper), foamed materials.

Packaging is the responsibility of the Supplier. Even if, by way of exception, we take receipt of goods at a location other than that specified as the delivery address, the risk shall only pass to us upon acceptance of the goods at the specified delivery address.

If, by way of exception, it is agreed that the packaging is not included in the price, the relevant packaging shall be charged at self cost. The amount invoiced to us in respect thereof shall be credited to us in full upon return of the packaging.

If, by way of exception, a price is agreed ex works or from the sales warehouse of the Supplier, the consignments in question shall be transported at the lowest cost possible.

We insure deliveries ourselves. The Supplier is not entitled to charge insurance costs therefore.

5. Delivery Period

The agreed delivery periods are binding. The goods in question must have been received at the delivery address specified in the order within the aforesaid period.

As soon as the Supplier realizes that delivery delays may occur, he/it shall notify us of such delays without delay.

Part deliveries, excess deliveries or advance deliveries are only permitted with our consent. Any additional costs incurred as a result shall be borne by the Supplier.

If delivery has been agreed in successive consignments or on call, we shall also be entitled to claim our established rights with regard to the whole contract if the delivery period is exceeded and if the prerequisites are met only for the successive consignments and if interest in the performance of the whole contract has lapsed as a result of the delay in the successive consignments.

If the Supplier is in delay, we shall be entitled to enforce 0.5% of the order value as a contract penalty (but with a maximum 5% of the order value) for each week or fraction of a week. We shall be entitled to raise the reservation required under § 341, para. 3 of the German Civil Code (BGB) until full and complete payment of the performance. The enforcement of additional delay damages shall not be excluded by the contract penalty.

6. Acceptance

If we are hindered from accepting deliveries as a result of facts or circumstances which we cannot avert despite all reasonable care and precaution, the acceptance date shall be prolonged for the duration of the impediment.

The aforesaid unforeseeable facts and circumstances not attributable to us shall also include in particular labour disputes, actions by the authorities, raw material or energy shortages, major operational disruptions, break-downs in important departments or essential production equipment and facilities, serious transport disruptions, energy shortages and driving bans. The aforesaid circumstances shall also prolong the acceptance date even if they occur with the buyer of the goods envisaged by us and if it is not possible for us to find another buyer on identical conditions.

If the aforesaid circumstances continue for more than 4 months, we shall also have the right to withdraw from the contract. Compensation claims by the Supplier shall be excluded.

7. Environment

The Supplier shall enclose a fully completed safety data sheet with the order acknowledgement and the data sheet required for any re-sale abroad together with an applicable accident report sheet (transport) for materials which are subject to special treatment with regard to packaging, transport, storage, handling and /or waste disposal on

account of laws, regulations, other provisions, their composition and their effect on the environment. In the event of any changes in materials or the legal situation, the Supplier shall provide us with the updated data and notice sheets.

8. Prices

Prices are franco, inclusive of packaging, freight and all ancillary costs to the delivery address specified in the order, excluding value-added tax.

Prices are fixed prices. Increases for whatever cause shall only be recognized if they have been expressly agreed.

9. Payment Terms

Payment shall be made upon receipt of all goods and/or all services after receipt of the relevant invoice.

We shall pay within 14 days with 3% cash discount, within 30 days with 2% cash discount and within 90 days net.

We shall only make payments to the Supplier. Assignments of claims shall only be permitted with our consent.

10. Defects in Quality or Title, Product Liability

The Supplier shall only send fully tested and approved goods and therefore waives a detailed inspection of incoming goods by us. We shall examine incoming goods insofar and as soon as this is advisable in the ordinary course of business and shall notify the Supplier of any identified defects upon identification thereof by us without undue delay. In so far the Supplier waives the plea (*Rüge*) of delayed notification of defects in accordance with § 377 of the German Commercial Code (HGB).

The Supplier shall be responsible for ensuring that his/its deliveries and services comply with the acknowledged state of the art, the contractually agreed qualities, the relevant standards, security regulations, occupational health and safety regulations and any other regulations, that they have the guaranteed qualities and are free from defects which are detrimental to the value or suitability of the goods for the contractually specified purpose.

We shall have the statutory rights without restriction in the event of defects in quality or title. We shall have the right to select the type of rectification (defect rectification *Mängelbeseitigung* or replacement delivery *Ersatzlieferung*). The Supplier shall bear all the costs and expenses required for the defect rectification or replacement delivery. If the Supplier fails to comply with the requested defect rectification or replacement delivery within a reasonable period of time or does so only inadequately or if an immediate defect rectification is necessary for urgent reasons, we shall be entitled to have the defect rectified at the cost of the Supplier, to rectify the defect ourselves or to make cover purchases at the cost of the Supplier.

Unless otherwise agreed, a limitation period of 36 months after passing of risk shall apply for claims for defects in quality. It shall be extended by the period of any rectification or replacement delivery measures of the Supplier upon receipt of our defect notification and until the Supplier has confirmed the termination of the respective measures or has rejected any further rectification or replacement delivery.

In the event of any defects in title, the Supplier shall also indemnify us against any possible third party claims. A limitation period of 10 years shall apply in respect of defects in title.

If we incur costs as a result of defects in goods delivered by the Supplier, especially freight, transport, labour or material costs or costs for inspections of incoming goods extending beyond the customary scopes and also any special recovery costs, such shall be reimbursed to us.

We shall be entitled to demand reimbursement from the Supplier for costs which we have had to bear in relation to our customers because they have a claim against us for reimbursement of expenses required for the purpose of the rectification, especially transport, freight, labour and material costs.

The recourse rights of our customers in accordance with §§ 478 and 479 of the German Civil Code (BGB) shall also accrue in our favour against the Supplier provided no purchase of consumer goods is involved.

If a defect in quality occurs within 6 months since the passing of risk, it shall be deemed to have existed at the time of passing of risk unless the aforesaid assumption is incompatible with the type of goods or the defect.

If claims are made against us based on product liability, the Supplier shall be obliged to indemnify us against any such claims if and insofar as the damage was caused by a defect of the contract product delivered by the Supplier. In cases of liability without fault (*verschuldensunabhängige Haftung*), the aforesaid shall only apply, however, if negligent behaviour is attributable to the Supplier. If the cause of the damage falls within the scope of the Supplier's responsibility, he/it shall bear the burden of proof. In the aforesaid cases, the Supplier shall bear all costs and expenses incurred, including the costs of bringing any legal action and executing any recall campaigns.

11. Liability Limitation and Damage Compensation

We are liable for wilful intent and gross negligence. We are only liable for slight negligence if a breach of major contractual obligations are involved which arise from the very nature of the contract or the breach of which jeopardizes the attainment of the purpose of the contract. Also in such cases, damages shall be limited to foreseeable damages. In the event of slight negligence, damage claims of the Customer shall be excluded, regardless of the legal cause. The aforesaid liability limitations shall not apply in the event of damages to life, body and/or health.

12. Third Party Industrial Property Rights

The Supplier guarantees that its delivered products infringe no industrial property rights at home or abroad and guarantees us full freedom and copyright permission to use and conduct

trade at home and abroad. The Supplier shall be obliged to indemnify us in full in the event of claims being made by third parties on account of a breach of domestic or international industrial property rights with regard to the delivered goods and to reimburse us the damages arising therefrom.

13. Drawings, Samples, Tools and Other Documents

Drawings, samples, models, tools and other knowledge and technical information obtained in connection with meetings or correspondence shall remain our property and may not be transmitted to third parties without our express permission, nor may they be used for the Supplier's own purposes. They have to be safeguarded by the Supplier against unauthorized inspections and use and must be returned to us in an orderly condition no later than with the final delivery unless otherwise agreed. The Supplier shall not be entitled to make copies either.

14. Reservation of Title

We only recognize a simple reservation of title. Title to the goods shall pass to us in all events as soon as they have been paid.

15. Place of Performance, Legal Venue and Governing Law

The exclusive place of performance for deliveries and payments shall be Pforzheim for both parties.

The legal venue for all disputes in connection with the present contract, its consummation or its validity shall be Pforzheim for both parties if they are merchants. We shall also have the right to bring legal actions against the Supplier at its seat.

The contractual relationship shall be exclusively governed by German law. The UN Convention on International Contracts for the Sale of Goods shall not apply.

The German version of these Terms and Conditions of Purchase (which will be readily sent to you on request) prevails over the English version.