

General Terms and Conditions of Purchase

1. Scope

These General Terms and Conditions of Purchase apply to entrepreneurs, legal entities subject to public law and special assets subject to public law.

The terms and conditions of purchase set forth below become part of the contract, even without the supplier's explicit agreement, by acceptance of the purchase order. This is even the case if the supplier explicitly excludes the validity of these terms and conditions in his quotation or acknowledgement of order and we do not object. Any agreements deviating from our terms and conditions must be made in writing. Only written purchase orders are valid; oral orders or orders by phone must be confirmed by us in writing in order to be binding.

These General Terms and Conditions of Purchase shall also apply to any future orders and contractual relationships between the partner and our company.

2. Purchase order and Delivery Time

All purchase orders must be promptly acknowledged by the supplier in writing if the delivery is not made immediately ex stock. In case our partner does not accept our order within 1 week since receipt we shall be entitled to cancellation. Delivery schedules shall become binding at the latest if the partner fails to cancel within 2 days since receipt. We shall be entitled to demand modifications of the goods supplied if it can be reasonably expected from the partner. In this context, any consequences particularly with regard to additional or reduced costs as well as to delivery dates shall have to be settled amicably and appropriately.

The supplier shall be liable for delivery delays in accordance with the applicable legislation. As soon as the supplier realizes that the confirmed delivery deadline cannot be adhered to, he shall inform us in writing without delay of the reasons and of the expected duration of the delay. This shall not affect our claims out of the partner's delivery default. Failure to meet the delivery deadline shall entitle us to cancel the contract. If the confirmed deadline cannot be met, the supplier shall choose the fastest possible way of delivery. Any extra costs arising from this shall be borne by the supplier.

3. Certificates of Origin, Value Added Tax Certificates and Export Limitations

The partner is obliged to mark any certificates of origin demanded by us with all necessary particulars, to duly sign them and to make them available without delay. Moreover, the partner shall immediately inform us in writing and without request if the particulars in the certificates of origin for the goods delivered shall be no longer correct. The same applies to any proofs for value added tax law purposes in case of cross border deliveries and intra-community supplies. The partner shall immediately inform us if any delivery is fully or partly subject to export limitations under German or any other law.

4. Dispatch Instructions and Advice

Dispatch documents and dispatch advices must bear the codes, logos or other references specified by us. The supplier shall send us immediately after dispatch a dispatch advice in duplicate stating the exact designation, the quantity, the weight (gross and net), the type and packaging of the goods or the item.

If the required dispatch documents for a delivery are not received in time, or if the dispatch documents or advices do not contain the above information, the goods will be stored at the supplier's cost and risk until the arrival of the dispatch documents or of the complete information.

5. Delivery and Transfer of Risk

Unless otherwise specified overleaf, all deliveries shall be made at the supplier's cost and risk and free of all charges to the receiving point indicated by us. The risk shall be passed on to us when the partner has stored the goods in our warehouse. The supplier shall bear the risk of accidental loss or damage until the handover of the goods by the supplier, or delivery to us by the forwarding agent or shipping company in charge of the delivery, or until acceptance of the goods. The delivery deadline begins with sending the order confirmation. Partial deliveries shall only be accepted if agreed on by special agreement.

6. Function in our Enterprise

Any persons being employed in our enterprise in order to fulfil the partner's obligations are subject to the provisions and regulations of our internal company regulations and our instructions with regard to accident prevention and (on-the-job) safety regulations, environmental or other regulations which have to be applied in our enterprise. Dangerous materials may only be used in our enterprise in co-ordination with our experts and must be duly marked.

7. Packaging

The supplier shall be responsible for suitable packaging. Any loss or damage in transit caused by inadequate packaging shall be borne by the supplier. In case of doubt, any loss or damage incurred in transit will be assumed to be caused by inadequate packaging.

If invoiced packaging material is returned, it shall be credited with 2/3 of the amount invoiced.

8. Invoicing

Invoices shall be submitted immediately after dispatch of the goods, and state the exact purchase order data.

9. Warranty and Quality defects

The supplier warrants the quality of the material and workmanship of the goods delivered to us, and the compliance of these goods with our specifications. We shall be entitled to make complaints about defects to the supplier even if such defects are not found until processing, or during the use.

Without prejudice to any other legal rights, we shall have in the case of a complaint the choice between the following options:

- a) return of the defective goods to the supplier and demand of replacement, or
- b) removal of the defect by ourselves or by a third party, or
- c) return of the defective goods to the supplier and procurement of replacement from a third party on our own, or
- d) reduction of the purchase price, or
- e) cancellation of all or part of the order.

Any costs incurred by us by this shall be borne by the supplier.

The goods must fulfil the specifications agreed upon and what must be assumed by the partner when being aware of the purpose of use, at least however, the indispensable mandatory legal requirements and must be state of the art. When delivering the partner complies with the legal regulations as applicable in the European Union and the Federal Republic of Germany, eg the REACH regulation (regulation EU number 1907/2006), the law about the return and environmentally sound disposal of electrical

and electronic equipment (Electrical and Electronic Equipment Act) as national implementation of the directive 2002/95/EG (RoHS) and the directive 2002/96/EG (WEEE) and the End-of-life Vehicles ACT as national implementation of the EU directive 2000/52/EG.

The partner shall immediately inform us about relevant changes in the product due to legal regulations, in particular the REACH regulation, its supply availability, use or quality and shall in individual cases agree with us on suitable measures to be taken. This applies as soon as and to the extent to which the partner realizes that such changes will happen.

Claims based on quality defects are subject to the limitation period prescribed by law unless otherwise provided.

In case the partner misses a fixed reasonable limitation period without having improved the goods or having delivered flawless goods we shall be entitled to eliminate the defect at the partner's expense on our own or by a third party. The legal regulations on the dispensability of fixing a limitation period as well as all legal rights because of defects including rights of recourse remain unaffected.

10. Liability of Partners

As far as the partner is responsible for any product damage he shall be obliged to indemnify us from any damages claimed by a third party as far as the reason lies within his range of command and organisation and as far as he shall be held liable himself in the legal relationship with third parties.

Within the scope of this liability the partner shall also be obliged to reimburse any costs arising from or in connection with a product recall carried out by us or our customers pursuant to §§ 683, 670 German Civil Code as well as to §§ 830, 840, 426 German Civil Code. We shall inform the partner about the contents and the scope of the recall measures to be carried out - as far as possible and reasonable - and shall give him the opportunity to give a statement thereto. Any further legal claims remain unaffected.

The partner undertakes to hold a product liability insurance being appropriate in scope and amount. In case we are entitled to more extensive claims for damages these shall remain unaffected.

11. Our Liability

Any Claims for damages based on whatsoever legal basis may only be claimed from us in cases of intent, gross negligence of our legal representatives or principle executives and culpable infringement of essential contractual duties. In case of culpable infringement of essential contractual duties we shall only be held liable for the reasonably foreseeable damage immanent to the contract.

The limitation of liability shall not apply in cases of our mandatory legal liability according to the product liability law for personal injury or property damage and in case of injury of life, body or health.

12. Patent Protection, Samples, Tools

The supplier shall be responsible for ensuring that the use and resale of the goods ordered by us is permissible without infringement of a third party's industrial property rights (patents, utility models, trademarks etc.). Therefore, the supplier shall be liable to indemnify us in full for any damage incurred due to infringement of such third-party property rights.

If the purchase order stipulates that we bear (a share of) the costs of tooling, models, printing plates etc., such tools, models or printing plates shall become our property. In particular, it shall be agreed between the supplier and us that the supplier provides without charge appropriate

safekeeping and preservation of the tools, models, printing plates etc., including adequate insurance against fire, water and theft, and that such safekeeping is a substitute for transfer to the owner. The partner is obliged to keep the workshop facilities free of charge for three years after the last delivery to our company. Thereafter he shall request us in writing to give instructions on the further use of the workshop facilities within 6 weeks. The obligation to keep the workshop facilities shall expire if the partner does not receive any statement within these 6 weeks or no further order is placed. Customer-related workshop facilities may only be used for the supply of third parties with our previous written consent. If we deem necessary to request from the supplier the return of the tools etc., the supplier shall accept such request without objection.

13. Purchase Order Documents, Designs and descriptions

Any information, drawings, samples etc. provided by us to the supplier shall remain our inalienable material and intellectual property and must not be used for other purposes, duplicated or divulged to third parties. Unless otherwise agreed, the purchase order documents shall be returned to us with the delivery.

The partner shall confer the property on designs and descriptions made according to our instructions as soon as they are fully paid.

14. Confidentiality

Each party to the contract is obliged to use any document (including samples, models and data) and knowledge gained from this business relationship only for the common purposes as well as to keep them secret from any third party with the same due diligence and care that would be paid to its respective own similar documents and knowledge if the other party to the contract declares these to be strictly confidential or has any apparent interest in keeping these secret.

This obligation becomes effective as from the very first receipt of those documents or knowledge and shall expire 36 months after termination of the business relationship.

This obligation does not apply to documents or knowledge being generally known or being already known to the partner when receiving these without being sworn to secrecy. The same applies to documents or knowledge being transferred afterwards by a third party entitled to transmission or being developed by the receiving party to the contract without using the other partner's documents or knowledge to be kept secret.

15. Provision of Material

Materials provided by us remain our property. The supplier renounces the acquisition of ownership in accordance with articles 946 et seqq. of the German Civil Code. The materials supplied shall be stored separately and clearly identified as our property, adequately insured at the supplier's expense against fire, water, theft and disasters, and may only be used for their intended purpose.

16. Terms of Payment

Payment will be made at our discretion in cash or by bill of exchange either within

14 days with 3% discount
or 30 days with 2% discount
or 60 days net,

counting from the date of invoice, but not before the day of our receiving the delivery.

In case of acceptance of an early delivery maturity shall depend on the fixed date of delivery.

In case of defective delivery or any default in delivery we shall be entitled to withhold payment proportionally to value until delivery has been duly fulfilled.

Without our written consent which may not be refused unreasonably, the partner is not entitled to assign his claims against us or to instruct a third party with its collection. In case of an extended reservation of title our consent shall be deemed.

In the event that – contrary to sentence 1 – the partner assigns his claims against us to a third party without our consent, this assignment is nevertheless valid. However, we reserve the right according to our choice to either effect payment to the partner or to the third party with liberating effect.

Should it become evident after the conclusion of the contract that our claim for delivery is endangered by a lack of capability to perform of the partner, payment may be refused and an appropriate limitation period may be set during which the partner must either render delivery versus payment or must provide a security. In case of refusal or expiry of the limitation period we shall be entitled to rescind the contract and to claim damages.

17. Place of Jurisdiction and Applicable Law

The place of performance for delivery and payment and the place of jurisdiction for any disputes arising from the contract shall be Bamberg.

Exclusively the laws of the Federal Republic of Germany shall apply to the contractual relationship.

The application of the Convention of the United Nations on the International Sale of Goods (CISG - "Wiener Kaufrecht") dated 11 April 1980 is excluded.

18. General

In the event that individual parts of these General Terms and Conditions of Purchase should be void or become invalid, this shall not affect the validity of any other provision.