

General Purchasing Terms

§ 1 General Matters, Scope of Application

(1) These general purchasing terms (AEB) shall apply to all business relationships with our business partners and suppliers (hereinafter: "Vendor"). The AEB shall only apply if the Vendor is an entrepreneur (§ 14 German Civil Code), legal entity of public law or public-law special fund.

(2) The AEB shall apply specifically to contracts on the sale and/or delivery of moving objects (hereinafter also: Goods), without consideration of whether the Vendor produces the Goods directly or purchases them from suppliers (§§ 433, 651 German Civil Code). The AEB shall apply as amended from time to time as a master agreement to future contracts on the sale and/or delivery of movable objects with the same Vendor without requiring our repeated reference to them in every single case.

(3) These AEB shall apply exclusively. Deviating, contrary or supplementary general terms and conditions of the Vendor shall only become part of the contract if and as far as we have expressly agreed to their application in writing. This requirement of consent shall apply in any case, e.g. also if we accept the Vendor's delivery without reservation, knowing of his general terms and conditions.

(4) Any individual agreements entered into with the seller from case to case (including any side agreements, supplements and changes) shall in any case take precedence over these AEB. The content of such agreements shall be subject to a written contract or our written confirmation.

(5) Legally relevant declarations and notices that must be made towards us by the Vendor after conclusion of the contract (e.g. stipulations of deadlines, dunning, declaration of rescission), shall require written form to be valid.

(6) References to the application of statutory provisions shall only have a clarifying effect. Even without such clarification, the statutory provisions shall therefore apply if not directly changed or expressly excluded by these AEB.

§ 2 Conclusion of the Contract

(1) Our order shall be deemed binding at the earliest at written statement or confirmation. The Vendor shall inform us of any obvious errors (e.g. writing and calculating mistakes) or if the order, including the order documents, is incomplete for the purpose of correction or supplementation before acceptance; the contract shall not be deemed concluded otherwise.

(2) The Vendor is asked to confirm our order in writing within a period of 5 days or specifically perform it without reservation by sending the goods (acceptance). Belated acceptance shall be deemed a new offer and shall require acceptance by us.

§ 3 Delivery Period and Delivery Default

(1) The delivery period specified by us in the order shall be binding. If no delivery period is stated in the order, and if none has been agreed on otherwise, it shall be 2 weeks from conclusion of the contract. The Vendor shall be obligated to inform us in writing without delay if he expects that he will be unable to comply with agreed delivery periods – no matter the reasons.

(2) If the Vendor does not render his service, or does not do so within the agreed delivery time, or if he enters default, our rights specifically to withdrawal and damages shall be according to the legal provisions. The provisions of para. 3 shall not be affected.

(3) If the Vendor enters default, we may – in addition to any further statutory claims – claim flat-rate reimbursement for our default damage at 0.5% of the net price per completed calendar week, but no

more than 5% of the net price for the Goods delivered delayed in total. We reserve the right to prove that we have incurred a higher damage. The Vendor may prove that we have not incurred any damage or much lower damage.

§ 4 Performance, Delivery, Passing of Risk, Default of Acceptance

(1) The Vendor shall not have the right without our prior written consent to have the services owed by him rendered by third parties (e.g. subcontractors). The Vendor shall bear the procurement risk for his services if something different is agreed on from case to case.

(2) The delivery shall be made DAP (according to Incoterms 2010) to the site indicated in the order within Germany. If the destination is not stated and if nothing different is agreed, the delivery shall be made to our office in Coburg. The respective destination shall also be the place of performance for any delivery and any subsequent performance.

(3) The delivery must include a delivery note indicating the date (issuing and dispatch), content of the delivery (item number and quantity) and our order reference (date and number). If the delivery note is missing or incomplete, we shall not be at fault for any delays resulting from this in processing and payment. The corresponding dispatch notice with the same content shall be submitted to us separately from the delivery note.

(4) The risk of accidental destruction and accidental deterioration of the object shall pass to us at handover at the place of performance. Where acceptance is agreed on, this shall be relevant for passing of risk. Apart from this, the statutory provisions on contracts for work shall apply accordingly at acceptance. If we enter default of acceptance, this shall be equivalent to handover or acceptance.

(5) Default of acceptance shall occur based on the statutory provisions. The Vendor must offer a service to us expressly even if a specific or specifiable calendar period is agreed for any action or contribution on our side (e.g. provision of material). If we enter default of acceptance, the Vendor may demand reimbursement of his additional expenses according to the statutory provisions (§ 304 German Civil Code). If the contract applies to any object to be produced by the Vendor that cannot be sold otherwise (custom production), the Vendor shall be due further rights only if we are obligated to contribute and are at fault for not contributing.

§ 5 Prices and Payment Terms

(1) The price indicated in the order shall be binding. All prices shall be given including statutory VAT if this is not indicated separately.

(2) Unless agreed on differently from case to case, the price shall include all services and secondary services of the Vendor (e.g. assembly, installation) and any secondary costs (e.g. proper packaging, transport costs, including any transport and liability insurance). The Vendor shall take back any packaging material upon our request.

(3) The agreed price shall be due for payment within 30 calendar days from the complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If we make the payment within 14 calendar days, the Vendor shall grant us a 3% discount for the net amount of the invoice. For bank transfers, the payment shall be made in time if our transfer order is received by our bank before the end of the payment period; we assume no responsibility for delays due to the banks involved in the payment process. The invoice must not be enclosed with the shipment, but must be emailed to accounting@dietze-schell.de.

(4) We shall not owe any interest on maturity. The Vendor's claim to payment of default interest shall not be affected. Default shall occur based on the statutory provisions. In any case, reminder by

the Vendor shall be required.

(5) Rights of set-off and retention as well as the objection of unfulfilled contract shall be due to us at the statutory scope. We shall specifically have the right to keep back any due payments while we still have any claims from incomplete or defective services against the Vendor. (6) The Vendor shall only have any right of set-off or retention for finally determined or undisputed counter-claims.

§ 6 Secrecy and Reservation of Title

(1) We reserve title and copyrights in figures, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents shall be used for the contractual service exclusively and shall be returned to us after completion of the contract. The documents shall be kept secret towards any third parties, even after termination of the contract. The secrecy obligation shall only expire if and as far as the knowledge contained in the provided documents has become generally known.

(2) For every single case of violation of the secrecy obligations, the Vendor commits to payment of a contractual penalty at 50,000 EUR, which shall not be set off against any damage we incur due to violation of the secrecy obligations.

(3) The above provisions shall apply accordingly to any substances and materials (e.g. soft goods, finished and semi-finished products), for tools, templates, samples and other objects that we provide to the Vendor for production. Such objects shall be kept – while not processed – separately at the Vendor's expense and shall be insured against destruction and loss at the common scope.

(4) Processing, mixing or merging of provided objects by the Vendor shall be performed for us. If a third party's title is preserved at processing, mixing or melding with objects of a third party, we shall acquire co-title in the new object at the ratio of the value of our provided object to the other objects.

(5) Transfer of title in the Goods to us shall be unconditional and without consideration of payment of the price. Any forms of expanded or extended reservation of title shall be excluded in any case, so that any reservation of title declared effective by the Vendor shall only apply until payment of the Goods delivered to us and for these.

§ 7 Defective Delivery

(1) Our rights in case of defects of material and title in the Goods (including wrong and under-delivery as well as improper assembly, defective assembly, operating or user manual) and in case of any other violations of obligations by the Vendor, the statutory provisions shall apply if nothing different is determined below.

(2) According to the legal provisions the Vendor shall be liable specifically for the goods having the agreed characteristics at passing of the risk to us. The agreement on the characteristics shall in any case include those product descriptions that – in particular by designation or reference in our order – are part of the respective contract or have been included in the contract equivalent to these AEB. It shall make no difference if the product description has been produced by us, the Vendor or the manufacturer.

(3) Deviating from § 442 para. 1 s 2 German Civil Code, we shall be due claims for defects without limitation also if the defect remained unnoticed at conclusion of the contract due to gross negligence.

(4) The commercial obligation to examine and report shall be subject to the statutory provisions (§§ 377, 381 German Commercial Code), with the following proviso: Our examination obligation shall be

limited to defects that are openly visible at incoming goods inspection at external inspection, including inspection of the delivery documents and during our quality control in random samples (e.g. transport damage, wrong and underdeliveries). Where acceptance is agreed, there shall not be any examination obligation. Apart from this, it shall be relevant in how far an examination is suitable under consideration of the circumstances of the individual situation according to the proper course of business. Our obligation to report defects discovered later shall not be affected. In any case, our complaint (report of defects) shall be deemed made without delay and in time if received by the Vendor within 5 working days.

(5) If receipt inspection exceeding the usual scope according to para. 4 becomes necessary after defective delivery, the Vendor shall bear the costs for this.

(6) If the Vendor does not meet his obligation to subsequent performance – at our choice by removal of the defect (improvement) or by delivery of a defect-free object (replacement delivery) – within an appropriate grace period set by us, we may remove the defect on our own and demand reimbursement from the Vendor for the expenses required for this or the corresponding advance payment. If subsequent performance by the Vendor failed or is unreasonable for us (e.g. due to special urgency, danger to the operating safety or threatening occurrence of unreasonable damage), a grace period shall not be required; the Vendor shall be informed without delay, and if possible in advance.

(7) Apart from this, we shall have the right to reduce the purchasing price or to withdraw from the contract in case of defects of material or title. We also shall have a claim to reimbursement for damage and expenses according to the statutory provisions.

§ 8 Recourse against the Supplier

(1) Our statutory recourse claims within a delivery chain (recourse against suppliers pursuant to §§ 478, 479 German Civil Code) shall be due to us without limitation in addition to claims from defects. We shall specifically have the right to demand the precise type of subsequent performance (improvement or replacement delivery) from the Vendor that we owe to our purchaser from case to case. Our statutory election right (§ 439 para. 1 German Civil Code) shall not be limited by this.

(2) Before we accept or meet any claim for defects asserted by our purchaser (including reimbursement for expenses pursuant to §§ 478 para. 3, 439 para. 2 German Civil Code), we shall inform the Vendor and ask him for a written statement under brief presentation of the situation. If the statement is not made within an appropriate period of time and if no amicable agreement is found, the claim for defects actually granted by us shall be deemed owed to our purchaser; the Vendor shall bear the burden of proving the opposite in this case.

(3) Our claims from recourse against suppliers shall apply even if the Goods have been processed further by us or one of our purchasers, e.g. by installation in another product, before their sale to a consumer.

§ 9 Producer's Liability

(1) If the Vendor is at fault for product damage, he shall reimburse us for any third-party claims where the cause is in his sphere of control and organisation and he is liable in the outside relationship.

(2) In the scope of his reimbursement obligations, the Vendor shall reimburse expenses pursuant to §§ 683, 670 German Civil Code that result from or in connection with any third-party claims, including any recall campaigns executed by us. We shall inform the Vendor of the content and scope of recall campaigns – as far as possible and reasonable – and shall give him the opportunity to make a

statement. Any further statutory claims shall not be affected.

(3) The Vendor shall take out and maintain product liability insurance with a flat-rate total coverage of at least 10 M EUR per injury/property damage.

§ 10 Expiration

(1) The mutual claims of the contracting parties shall expire according to the statutory provisions unless specified differently below.

(2) Deviating from § 438 para. 1 no. 3 German Civil Code, the general period of prescription for claims from defects shall be 3 years from passage of risk. Where acceptance has been agreed on, prescription shall commence at acceptance. The period of prescription of 3 years shall apply accordingly to claims from defects of title as well, with the statutory period of prescription for material release claims of third parties (§ 438 para. 1 no. 1 German Civil Code) remaining unaffected; claims from defects of title shall never prescribe while the third party can still assert the right against us – in particular due to lack of prescription.

(3) The periods of prescription under sales law, including the above extension, shall – at the statutory scope – apply to all contractual claims from defects. Where we are due any extra-contractual damages claims for a defect as well, these shall be subject to the regular statutory period of prescription (§§ 195, 199 German Civil Code), unless application of the periods of prescription under sales law leads to longer periods of prescription from case to case.

§ 11 Spare Parts

(1) The Vendor is obligated to keep spare parts for the products delivered to us for a period of at least 8 years after delivery.

(2) If the Vendor intends to cease production of spare parts for the products delivered to us, he shall report this to us without delay after the decision on cessation is made. This decision must - subject to paragraph 1 – be made no later than 12 months before production ceases.

§ 12 Execution of Work

The Vendor's persons who perform contractual work on our factory premises shall observe the provisions of the respective operating rules. The provisions existing for entering and leaving the factory facilities shall be observed. Liability for accidents happening to such persons on our factory premises shall be excluded unless caused by us wilfully or by gross negligence.

§ 13 Choice of Law and Place of Jurisdiction

(1) These AEB and any legal relationships between us and the Vendor shall be subject to the law of the Federal Republic of Germany under exclusion of any international and supranational rules of (contract) law, in particular UN sales law. The prerequisites and effects of the reservation of title shall be subject to the law at the respective storage location of the object if the choice of law to the benefit of German law is inadmissible or ineffective based on it.

(2) If the Vendor is a merchant in the meaning of the Commercial Code, a legal entity under public law or a public-law special fund, the exclusive – also international – place of jurisdiction for any disputes resulting from the contractual relationship shall be our corporate seat in Coburg. However, we shall also have the right to raise a claim at the site of performance of the delivery obligation.