Standard Terms and Conditions of Purchase of KEUCO GmbH & Co. KG
for transactions with commercial enterprises (Valid as of 09/2014)

§ 1
General information
Scope of application

1. Our Terms and Conditions of Purchase apply exclusively; the supplier's contrary or conflicting conditions are not recognised unless we have expressly agreed to their application in writing. Our Terms and Conditions of Purchase remain applicable, even if we accept the supplier's delivery without reservation in the knowledge that its terms and conditions conflict or are contrary to our own.

2. Upon the initial supply or service performed on the basis of these Terms and Conditions of Purchase, the supplier accepts the validity of these conditions in their currently valid version, as may be amended from time to time, whereby this acceptance also applies for all subsequent deliveries. We will, upon first demand and free of charge, provide the supplier with the currently valid version of our Terms and Conditions of Purchase.

3. Any master agreements or individual contracts made between the parties will have priority over these Terms and Conditions of Purchase. Unless particular provisions are agreed therein, such agreements and contracts will be supplemented by these Terms and Conditions of Purchase.

4. All agreements made between us and the supplier in relation to the performance of the contract are set down in writing in the contract.

5. Our Terms and Conditions of Purchase apply exclusively to enterprises within the definition of Section 14 German Civil Code (BGB), i.e. in relation to those natural or legal persons, or partnerships with legal capacity, who/which are dealing in the exercise of a commercial or freelance activity in concluding this contract.

§ 2
Supplied data, images, formulae,
drawings, calculations

1. We reserve the ownership rights and copyright to images, formulae, manufacturing and application guides, drawings, calculations and other documentation and data that we may provide; these may not be made accessible to any third parties without our express written consent. They may only be used for the purpose of executing our order and must be returned - together with any copies made thereof - voluntarily to us following the fulfilment of the order. These materials may not be disclosed to any third parties, unless there is a public or statutory duty requiring disclosure. If the images, formulae, manufacturing and application guides, drawings, calculations and other documentation are transformed into data, this must be completely deleted upon our first demand, and the deletion must be confirmed promptly in writing.

2. In the event that such data is communicated as described in No. 1, we are entitled to demand that we be provided with a cease-and-desist declaration with penalty clause covering any further reuse of the data. In this case, we may use our discretion to determine the amount of the contractual penalty (Section 315 BGB). If this right is exercised, the appropriateness of the contractual penalty may be examined by the competent court and reduced if necessary.

§ 3
Quotations made by the supplier

1. The supplier's quotations must be made in writing.

2. The supplier's quotations must fully describe the delivered item/service and fully list and include in the price all auxiliary products and/or services necessary for us to use the delivered item/service safely and efficiently.

3. Goods or elements thereof and/or services or elements thereof not listed in the supplier's quotation, but which are nevertheless essential for using the delivered item/service safely and efficiently, will be deemed, unless otherwise agreed, as an element of the delivered item and/or service and due from the supplier without any additional payment.

4. Within its quotation, the supplier must expressly indicate - in writing or other text form - any risks of physical harm or damage to health or any other risks and environmental hazards associated with the delivered goods or the deliverable service and it must likewise indicate any necessity to handle the goods in a particular manner.

§ 4
Notice of acceptance
Conclusion of contract
Performance
Execution of order
Acceptance

1. To enable us to properly manage our contractual matters, only written (fax suffices here) signed purchase orders issued on our order form will be deemed valid. The order placement may alternatively be made in "text form" (email) accompanied with our sender-recognition code.

Amendments and additions to the purchase order must be made in writing. This applies equally to the setting aside of this requirement of the written form, whereby the priority of individual agreements pursuant to Section 305b German Civil Code (BGB) remains unaffected. If we make no response to quotations, prompts for a response or other declarations made by the supplier, this may only be deemed to constitute consent if this has been expressly agreed in writing.

2. The supplier is obliged to precisely state our order number and/or the ordering party on all shipping documents and delivery notes. If it fails to do so, we will not be responsible for any delays in processing and payment.

The supplier must confirm our purchase order in writing or in text form within 5 work days of receiving it; this time period is calculated according to the time we receive the confirmation. In the absence of any other agreement, we are entitled to withdraw our purchase order upon the expiry of this time period. The supplier has no claims in respect of orders effectively cancelled in this way.

3. We ask that we be provided with one copy of the order confirmation. The supplier's quotations must be sent at no cost to us; we will not be bound by them.

4. The supplier will state our precise purchase order number and/or the ordering party on all shipping documents and delivery notes. If it fails to do so, we will not be responsible for any delays in processing and payment.

We will be entitled, moreover, to demand presentation - free-of-charge - of certificates of inspection for the delivered items.

5. Subject to an alternative official proof, the values determined during our incoming goods inspection will apply in relation to unit numbers, weights and dimensions. Weights must be stated in documents accompanying consignments, particularly in the case of deliveries by truck.

6. We will be entitled to demand the presentation - free-of-charge - of certificates of inspection for the delivered items.

7. If advised unit numbers, weights and quality are confirmed by our drivers and collection agents, such a confirmation will be subject to the subsequent check performed by our incoming goods department.

8. We will not be bound by obvious errors or spelling or calculation mistakes contained in our purchase order or the data or documentation underlying it. Rather, in such cases, the supplier is obliged to notify us in writing or text form of the relevant error, thereby enabling us to correct and update our purchase order. This obligation correspondingly applies in the event that evidently necessary documents do not accompany the purchase order.

9. The supplier declares that it is willing, upon our request, to afford access to its production operations to public authorities and institutions for statutory accident insurance and prevention and to provide us with all reasonable assistance in this respect, if public authorities approach us for the purpose of inspecting our products or due to alleged infringements of rights caused by such products, in which the supplier was in-volved by way of making a delivery or performing sub-contracted services or which has hereby enabled their production. We likewise give such a reverse undertaking in favour of the supplier.

10. If the supplier accepts our purchase order but only with modifications, it must highlight these in its order confirmation, otherwise they shall not apply.

11. The supplier, moreover, will expressly inform us in writing or text form of the amendments to contractual terms and conditions or order details and/or purchase order terms.

The supplier will inform us, without delay, in writing or text form of any modifications/additions to the contractual scope, the necessity of which only becomes apparent when during the execution of the contract. The modifications/additions will only become effective once we have given our written agreement. The priority of the individual agreements, in oral, text or written form, pursuant to Section 305b German Civil Code (BGB) remains unaffected.

12. In relation to safety-relevant parts of the delivery items, which may, for example, be marked with an “X” in the technical documents or are defined by way of a separate agreement, the supplier, moreover, has to set down, by means of separate records, the manner, when and by whom the delivery items have been checked with regard to mandatory documentable features and what results were attained by the requisite quality tests. These test documents are to be retained on our behalf for 10 years free of charge, and are to be presented to us free of charge if ever needed. To the extent admissible under the statutory provisions, possible sub-suppliers are to be enjoined to a similar obligation by the supplier.

13. Before the goods are dispatched, the supplier will notify us in writing or text form (email) of the net value, weight and date of dispatch as well the delivery destination specified in the purchase order.

14. The fact that we sign consignment documents, confirmations of receipt or delivery notes does not imply that we acknowledge completeness of delivery or that the delivered products are fault-free.

15. The supplier must inform us in good time of the documents it requires from us, and it must request these from us in writing.

16. If the supplier is required, under the contract or by way of an ancillary obligation, to provide material samples, test records, quality-related documents or other documentation, the delivery and/or the service will only be complete if these documents are provided in full.

17. If waste is generated in the supplier's performance of the contract, the supplier must, in the absence of any other agreement, remove and dispose of this waste itself, at its own cost and in accordance with the applicable provisions of the waste disposal law. The ownership of, risk in and the legal responsibility for the waste will pass to the supplier at the time the waste is generated.

18. If a material reason is established, we will be entitled to demand the replacement of personnel deployed by the supplier in connection with the service and/or works contract. A material reason is established, particularly if there are objective reasons for doubting the adequacy of the necessary experience and/or qualifications to be able to achieve the contractually due result, and/or the employee in question fails to observe the rules and regulations on occupational health and safety/environmental protection. The supplier undertakes to supply a qualified replacement without delay in such a case. The supplier will bear all the costs connected with the change of personnel. This will have no effect on the agreed dates and deadlines.

19. Access to our works site must be announced in good time. The instructions of our personnel must be followed for observing our company safety regulations.

20. In the absence of any other agreement, the supplier undertakes to deliver the service personally.

§ 5
Prices, payment, invoice
Assignment
Offset, retention
Packaging, waste disposal

1. In the absence of an alternative written agreement, the prices agreed are fixed prices and – unless otherwise agreed in writing – include all costs for packaging, transport to the agreed point of receipt or dispatch (Delivery DDP – Incoterms 2010) for purposes of clearing formalities and customs. In the absence of any other agreement, our registered address is the place of delivery.

The applicable value-added tax is included in the price, unless the price is explicitly listed as being the net price.

2. We ask for your understanding that we can only process invoices, if they (in accordance with the details set out in our order) list the purchase order number and/or the customer details stated therein and are verifiable. If this information is missing, we will not be responsible for any delays in relation to processing and payment.

3. We will settle incoming invoices as follows:

- if received by the 30th day of the month - on the 15th day of the following month with 3% cash discount,
- if received by the 15th day of the month - on the 30th day of the same month with 3% cash discount,

Cash discount deductions remain permissible, if we exercise a right to an offset.

4. Payments do not constitute acceptance or waiver of possible defect complaints or any acknowledgement of the contractually-compliant performance.

5. Unless otherwise agreed, if early delivery is accepted the date of due payment will be based on the originally agreed delivery date.

6. In the event of incomplete or defective delivery, we shall be entitled to wholly or partially withhold payment until the performance is duly rendered.

7. Invoices are to be sent in duplicate following fulfilment of the contract. An invoice must be issued in respect of each purchase order and sent to the billing address stated therein. All documentation relevant to the billing must be included in full. Partial invoices for services must bear the annotation: "Part Invoice", final invoices the annotation "Remainder invoice".

8. If advance payments are agreed, for amounts in excess of EUR 5,000.00, this will first become due once the supplier has secured said payments by providing us with a directly enforceable guarantee issued by a German bank and member of the deposit security fund or by a German savings bank.

9. The supplier is only entitled to retention and offset rights vis-à-vis our claims, if these concern demands recognised by us or which have been declared res judicata, unless the counter-claim concerns our violation of material contractual duties. "Material contractual obligations" are those duties which protect the material contractual rights of the supplier and are specifically granted to it according to the content and purpose of the agreement, and those contractual obligations the fulfilment of which is a pre-requisite to the proper performance of the agreement and the fulfilment of which is a fact on which the supplier would normally and rightfully rely.

10. The assignment of the supplier's existing claims against us requires our prior written consent, unless said claims relate to pecuniary claims.

11. The Customer may only pack delivered goods in environmentally-friendly packaging or containers. Goods must be packed in such a way as to prevent damage during shipment. Unless we have made a contrary agreement with the supplier, the price includes the packaging for the consignment in question. The supplier is responsible for the disposal, at its own cost, any waste generated though the delivery or the assembly work performed by it.

12. If, in exceptional cases, an alternative arrangement is agreed with the supplier, it must bill the packaging at cost price. In this case the supplier must select the packaging stipulated by us. If the packaging selected by us is not suitable for securing and packing the object of the delivery, the supplier must inform us in writing promptly after we have made our choice.

13. If there is an agreement that the packaging used for the shipment of the goods will be charged separately, we may at our discretion make such packaging available again in serviceable condition carriage paid against a credit note of at least 2/3 of the value charged, provided we have not agreed anything to the contrary with the supplier. The supplier is entitled to prove that the returned packaging is significantly lower in value. In the case, the amount reimbursed will be adjusted accordingly.

14. If a case arises as described in No. 13, we will be entitled to return the packaging to the supplier at its cost.

§ 6
Sub-orders
Assignment of rights and duties

1. The supplier is generally permitted to award sub-contracts, provided the original contract does not specify that performance must be rendered personally. However we are entitled to object to the awarding of sub-contracts by the supplier on the basis of there being a materially reason, if the award of the sub-contract would materially damage our interests. In this case the supplier is required to perform the contract itself. A significant reason is established in particular if, objectively considered, the sub-contractor is unable to guarantee proper contractual performance or if it has in the past breached our operating safety regulations in the event, in the event that the service is to be performed on our works premises. The supplier is liable for the conduct of sub-contractors to the same extent it is liable for its own.

2. Subject to the provision in No. 1, the supplier is not entitled to assign rights and duties without our consent. Section 354a HGB (Assignment of pecuniary claims) remains unaffected.

§ 7
Delivery, delivery time

1. The agreed delivery dates and delivery times must be ob-served. Compliance is determined according to the time we receive the goods at the agreed place of delivery.

2. In the absence of an alternative agreement, we are entitled to demand that the supplier delays the supply and/or service by up to 4 weeks - free of charge. The supplier may not assert any claims against us by way of delays to delivery within these limits. The goods to be delivered will be stored at the risk of the supplier during the aforementioned time period. We are entitled, moreover, to demand a further delay to delivery by up to 6 months, during which the goods are likewise stored at the risk of the supplier. In this case we will be duty bound to reimburse the supplier for its proven, reasonable and customary costs of storage and insurance, with payment becoming due no later than 4 weeks following that payment date determined on the basis of the original delivery date.

3. The supplier is duty bound to inform us in writing if it is aware of any circumstances or if it is otherwise apparent that agreed delivery or service dates cannot be fulfilled. This likewise applies even if the supplier is not at fault for the delays to delivery. If this obligation is beached, we will be entitled to claim compensation of the damage we here sustain.

4. In the event that the supply or service is delivered earlier than agreed, we reserve the right to return the delivery at the supplier's cost, to refuse performance of the service or to reject the delivery. If no return delivery is made in the event of premature delivery, the goods will be stored at the cost and risk of the supplier until the agreed delivery date.

5. We will only accept part delivery or services if we have agreed expressly to this in writing. In the event that part deliveries are agreed, the outstanding remaining quantity must be clearly specified.

§ 8
Transfer of risk
Documents

1. As a rule, delivery will be made carriage paid and is per-formed at the risk of the supplier until such time that complete delivery is made and, in the case of services performed under a works contract, until these have been formally accepted by the contractually agreed point of receipt or use.

2. During the course of the business relationship, throughout it written correspondence the supplier is obliged to handle every individual purchase order separately. In all its written items of correspondence, such as emails, letters, consignment notices, delivery and packing slips, invoices, bills of lading, dispatch notes etc., the supplier must, as a minimum requirement, include the complete purchase order number, purchase order date and the customer's designation as well as our reference number.

3. Two copies of the aforementioned documents, such as invoices, delivery notes and packing slips, must accompany each consignment. In the case of goods deliveries, these documents must, as a minimum requirement, contain the:

Quantities and quantity units, gross net and calculation weight, if applicable, as well as the purchase order number, article description, remaining quantity for partial deliveries and our article number.

4. In case of consignments of freight, an advice note is to be submitted to us separately on the day of despatch. If the supplier fails to do so, we will not be responsible for any delays in processing or for any consequential delays to payment.

5. We will be entitled to demand that the supplier present us - free of charge - with German or English certificates of inspection for the delivered items.

6. In relation to works contracts and those purchase contracts where the requirement of acceptance of the object of the delivery is agreed, the risk is transferred upon our acceptance of the service and/or delivery.

§ 9
Default

1. We shall be entitled to exercise our statutory rights in the event of a delay in delivery. We shall be entitled in particular - following the fruitless expiry of a reasonable additional period of time granted by us - to demand compensation in lieu of performance and/or to rescind the agreement. In the event that we demand compensation, the supplier is entitled to prove that it is not responsible for the breach of duty, provided the supplier has not provided us with a legally-binding guar-antee nor has it assumed the risk of procurement pursuant to Section 276 BGB.

2. In case of default of service/delivery, we shall be entitled to claim a contractual penalty amounting to 0.5% of the net delivery value per full week of default or part thereof, but not more than 5% of the net delivery value; we reserve the right to exercise additional statutory claims, especially claims for damages – which will, however, be fully offset against the contractual penalty.

3. In case of an imminent or existing default of service/delivery, upon demand the supplier will enable us to inspect all material documents connected with the contractual arrangement, and name to us all relevant suppliers and sub-suppliers. However, the supplier is only obliged to disclose trade or industrial secrets within the definition of Section 17 of the German Unfair Competition Act (UWG) in return for the conclusion of a non-disclosure agreement obliging us to respect the confidentiality of this information.

4. In the case of a default of delivery/supply, if we deem it to be necessary the supplier will grant us the right to directly contact all potentially relevant sub-suppliers and suppliers in order to avert, or minimise to the greatest possible extent, any default of delivery/supply stemming from them.

5. In the situations described in nos. 2 and 3 above, the overall responsibility for the order remains with the supplier.

6. The acceptance of the delayed delivery does not in any way constitute a waiver of compensation claims and the contractual penalty.

§ 10
Change management

1. Changes to the contents of the purchase order will be unavoidable on occasion, including due to changes demanded by the end customer. Therefore we are entitled, including following the conclusion of contract, to request changes to the object of the delivery and/or service in accordance with the following provisions, provided these variances are - from an objective perspective - technically and logistically reasonable for the supplier taking into account its business purpose, and production and/or service know-how as well as its current order book situation. The supplier is required to promptly examine the change requests, and it will notify us in writing, without delay, of the impact on the contractual arrangement. This duty to inform includes declaring whether the requested changes and technically and/or logistically even feasible and expedient. It likewise encompasses a declaration of the effects the change requests would have on the contractual arrangements agreed to date, including the concept, time limits, deadlines, formal acceptance arrangements and the payment in the form of a quotation. We will then promptly inform the supplier of our decision regarding the performance of the changes.

2. In the case of a position decision and agreement regarding the changes to the contractual terms, the change will become an integral part of the contract.

3. The supplier may not demand changes to the contractual terms if the relevant changes are economically insignificant.

§ 11
Acceptance

1. All the supplier's contractual services suitable for acceptance must be formally accepted by us as a pre-condition to being due. If the verification of the supplier's services requires the complete system to be put into commission, formal acceptance will only be performed following the successful completion of the agreed functional tests. Otherwise, the time period for verification is 4 weeks following our receipt of the sup-plier's written completion report, unless something to the contrary has been agreed. The supplier will, to this extent, refrain from relying on the defence of a belated defect complaint.

2. If the supplier is required to deliver a service that requires our formal acceptance, the supplier must issue us with notice, in writing or text form, of its acceptance demand at least 14 days prior to the agreed date for acceptance.

3. If the incoming (acceptance) inspection identifies defects, a part acceptance may - following consultation with us - be declared in relation to fault-free services. This part acceptance does not, however, constitute final acceptance within the definition of Section 640 German Civil Code (BGB).

4. The acceptance will be based on a written record of acceptance, which must be signed by the parties. Assumed acceptance is expressly excluded, provided we do not continuously use the work result as intended for commercial purposes outside of testing purposes.

§ 12
Investigation of faults
Warranty
Liability for defects
Limitation periods
for material faults and defective legal titles

1. The supplier warrants that all deliveries/services correspond to the state-of-the-art current at the time of contractual conclusion, the applicable legal provisions, directives and guidelines issued by public authorities, Institutions for Statutory Accident Insurance and Prevention and industrial associations within Germany and the European Union, particularly, insofar as relevant, the Machinery Directive of the European Union and the country of use designated prior to the conclusion of contract, as well as the agreed specifications. The supplier warrants, moreover, that the products supplied and the packaging materials are environmentally friendly.

2. If no contrary arrangement has been agreed, we are obliged to examine the goods for discrepancies in quantity and quality within a reasonable period of time; our defect notification is timely if it is issued - in the case of obvious defects - to the supplier within 5 work days of the goods having been fully received, or - in the case of hidden defects - within 5 work days from the time these are discovered. In this respect, the supplier waives any defence of belated notifications of defects.

3. We are unreservedly entitled to the statutory claims for defects; this applies equally in the case of any subsequent modification of the delivered goods.

The limitation period for warranty claims for material defects is 36 months, commencing from the time of transfer of risk.

4. If the products delivered or services rendered do not fulfil the due characteristics, the supplier will be liable for all damage resulting herefrom, including consequential damage.

5. If the supplier is in default of its duty to eliminate a fault, we shall be entitled to demand a contractual penalty amounting to 0.5% of the net payment agreed for the defective supply and/or service, in respect of each newly commenced period of 7 calendar days of default, but only up to a maximum of 5% of the agreed net payment for the defective delivery, without demanding substantiation of the claim. The supplier is entitled, however, to prove to us that we sustained no damage or a lower amount of damage. This does not affect the other statutory and contractual claims to which we are entitled. The aforementioned contractual penalty will be fully offset against any additional compensation claim.

6. In the case of a defective legal title, the supplier, moreover, will indemnify us from third-party claims raised in this respect, including the standard costs of a legal defence as well as our administrative costs. The aforementioned duty of indemnification does not apply in the event that the supplier produced its delivery or service according to our supplied documentation, such as models or drawings or according to our explicit in-structions and was unable to know that third-party industrial property rights would thereby be infringed.

7. If, due to the defectiveness of the contractual object delivered by the supplier, we recall products manufactured and/or sold by us, or if we are otherwise made subject to legal action on this basis, we will be entitled to seek recourse from the supplier, in which case it will not be necessary to issue the grace period usually required to exercise our rights in relation to defects.

8. In the case of works, any claims against the supplier for material defects are limited to 36 months from time of acceptance; in the case of product deliveries the limitation period is 36 months from the transfer of risk.

9. The limitation period for defective legal titles is 5 years, starting from the time of acceptance, or if no acceptance arrangement was agreed, 5 years from the delivery of the contractually due result.

10. If, with our consent, the supplier undertakes to examine the existence of a fault or the elimination of the defect, the limitation period will be suspended until the supplier has informed us, in writing or text form, of the result of the examination or declares to us that the fault has been eliminated or that it is refusing to proceed with the fault elimination process.

§ 13
Force majeure

Force majeure, labour disputes, operational interruptions for which the supplier is not responsible, civil unrest and other unavoidable circumstances, will entitle us - our other rights notwithstanding - to terminate the agreement fully or in part, if such events endure for a significant period of time (i.e. at least 4 weeks) and if they result in a significant reduction in our requirements and we promptly notify the supplier of the impediment.

§ 14
Product liability
Release from liability
Third-party liability insurance

1. To the extent that the supplier is responsible for any product damage, upon first request it shall be obliged - unless otherwise agreed in writing - to indemnify us against all third-party claims for damages and reimbursement of expenditure, the extent that the cause is attributable to its area of control and organisation. Alongside the payment of third-party damages, the supplier’s compensation obligation includes the standard legal defence costs, recall costs, inspection costs, costs of assembly and disassembly as well as our administrative and other such expenses entailed by the settlement of claims.

2. Within the terms of its duty to compensate No. 1, the supplier is also obliged to reimburse any and all reasonable costs pursuant to Sections 683 and 670 German Civil Code and Sections 830, 840 and 426 German Civil Code, which result directly or indirectly from a recall campaign performed by us. Insofar as possible and reasonable, we will give the supplier advance notice of the subject and extent of the pending recall campaign and afford it the opportunity to state its position. Our other statutory and contractual rights remain unaffected.

3. DThe supplier undertakes, from the time of its initial conclusion of contract with us, to maintain product liability
insurance with an indemnity limit of EUR 5,000,000.00 per instance of damage to persons/ property and EUR 2,500,000.00 for financial loss event. These amounts remain unaffected if we are entitled to additional claims for damages. The supplier must, upon our first demand, show us proof of the aforementioned insurance policy and the payment of premiums. If proof of the insurance policy and payment of premiums is not pro-vided to us within 7 calendar days of our demand, we will be entitled to wholly or partially rescind unfulfilled contracts (with respect to the non-fulfilled element).

§15
Rights of use (licenses)
Inventions

1. To the extent that the drawings, customised IT programmes, photographic or video material, layouts for print media or other such documents are created through the supplier rendering supplies or services to us, then we, and all companies affiliated with us within the definition of Section 15 German Stock Corporation Act (AktG), will be granted an exclusive, transferable right of use (licence) unlimited as to time, place and content to all types of use, this being fully compensated by the price agreed.

2. If the deliveries or services are protected under the supplier's copyright, the supplier will grant us an irrevocable, transferable right - unlimited as to time, place and content - to use the supply or service as frequently as we wish, especially to reproduce, distribute and display it as well as to modify and edit it.

3. To the extent that proprietary rights of use established under copyright law, industrial property rights other proprietary rights and other written, machine-readable and other such work results are created in relation to the supplies and services to be performed by the supplier, we will be exclusive and unreservedly entitled to them - as an element of the service - and these are fully compensated by the price agreed. The supplier is obliged to notify us, without delay, about the existence of any such invention, and it will consult with us to agree the subsequent procedure.

4. The supplier is also obliged, moreover, at its own cost to claim inventions made by its employees and any relevant sub-suppliers, and to do so in such a way, that indemnifies

us and enables it to assign the rights in these inventions to us.

5. In the event that we register the invention as an industrial property right, we will assume the costs for the registration and maintenance of the industrial property right.

6. If we decide not to register particular inventions, or if we have no interest in maintaining an existing industrial property right, the supplier will be entitled to pursue the registration and maintenance of the industrial property right at its own cost. In such cases, we will, however, be reserved a free, non-exclusive and transferable right of use.

7. If, during the course of utilising the supplies or services, we need to use industrial property rights belonging to the supplier, and which were held by it prior to the delivery of the supply or service, it will grant us a non-exclusive and transferable right of use to these industrial property rights, this being fully covered by the price agreed.

§ 16
Spare parts and delivery readiness

1. The supplier gives an assurance, in relation to parts of existing products, that it is able to ensure delivery of spare parts for the regular technical use period, 10 years following acceptance of the final delivery of the article, unless we have agreed an alternative spare part availability period in writing with the supplier. The supplier undertakes to supply these parts at standard market terms during this period.

2. If the supplier intends to cease delivery of the spare parts following the expiry of the aforementioned period, it will give us at least 30 calendar days advance notice to enable us to place a final order. The same applies in the event of any cessation prior to the expiry of the aforementioned period, whereby the placement of a subsequent order does not prejudice our entitlements to claim compensation.

§ 17
Provision of material by us
Co-ownership
Retention of title

1. Any tools, materials, substances, parts, containers and packaging supplied by us may only be used for the intended, specified purpose.

2. The tools we provide will remain our property and they may only be used by the supplier for the contractually defined service.

3. Any parts we provide to the supplier will remain our property (goods subject to retention of title). Processing or transformation undertaken by the supplier is performed on our behalf. If our goods subject to retention of title are processed together with other articles not belonging to us, we will acquire a co-ownership share in the new object equal to the proportion of the gross value of our article (purchase price, plus VAT) compared to that of the other processed articles at the time of processing.

4. If the item we provide is inextricably mixed with other articles not belonging to us, we will acquire co-ownership in the new object equal to the proportion of the gross value of the goods subject to retention of title (purchase price plus VAT) compared to that of the mixed articles at the time of mixing. If the mixing is performed in such a way that the supplier's article is to regarded as the main article, it is hereby agreed that the supplier will assign us proportionate co-ownership over it. The supplier shall protect the sole ownership or co-ownership on our behalf.

5. The supplier is obliged, at its own cost, to insure - at replacement value - tools belonging to us against fire and water damage and the risk of theft. At the same time the supplier here and now assigns to us all compensation claims under this insurance policy; we hereby accept said assignment.

6. The supplier is likewise obliged, at its own cost, to perform any necessary servicing and inspections works and all maintenance and repair works; it must also prove to us that this has been performed. It must notify us in writing, without delay, about any malfunctions of the machine and/or tools provided; if it negligently fails to do so, we will be entitled to claim compensation if any damage event occurs.

7. The supplier is duty bound, moreover, to treat as strictly confidential the images, drawings, calculations and other documents and information it receives (in whatever media form), unless it is subject to a statutory or public duty of disclosure. Our express written consent is required for this information to be disclosed to any third parties, who must be bound by a duty of non-disclosure. This duty of non-disclosure endures following the end of this contract; it is no longer valid once the production know-how contained in the assigned images, drawings, calculations and other documentation enters the public domain without any violation of said duty.

8. In the event that the sum of the collateral interests to which we are entitled pursuant to nos. 1. to 6 exceeds the purchase price of all our still unpaid goods subject to retention of title by more than 10%, upon demand by the supplier we will be duty bound to release collateral interests selected at our discretion.

9. We will repudiate any retention of title.

§ 18
Third-party property rights

1. The supplier warrants that, in connection with the supply and/or service, no third-party rights have been infringed within the Federal Republic of Germany or Europe or within the country of use as designated in the purchase order. Liability will be excluded if the supplier is able to prove that, at the time the object of delivery is actually delivered, it neither knew nor could it have known of the existence or future establishment of such rights.

2. If any third party pursues a legal action against us based on the infringement of such rights, the supplier will then be obliged, upon our written first demand; unless we have the permission of the supplier we are not entitled reach agreements of any kind with the third party, in particular we may not agree any settlement.

3. The supplier's duty of indemnification relates to all costs necessarily incurred by us by reason of or in connection with a third-party claim.

4. The conditions set out in nos. 1 to 3 will not apply in the event that the supplier produced its delivery or service according to our supplied documentation, such as models or drawings or according to our explicit instructions, and was unable to know that third-party industrial property rights would thereby be infringed.

5 The limitation period applicable to the liability for the infringement of industrial property rights commences with the establishment of the claim, and we obtain knowledge of the circumstances underlying it or, in the absence of gross negligence, that time we should have become aware of it. The limitation period is 5 years.

§ 19
Documentation and non-disclosure

1. All the commercial, technical or product-related information - particularly calculation data, production instructions, internal production notes and data, irrespective of type, provided by us to the supplier, including any other development and production specifications derivable from the our supplied items, documents or data and other know-know or knowledge supplied by us to the supplier may not, so long and to the extent evidently not in the public domain and provided no statutory or public duty of disclosure exists, be disclosed by the supplier to any third parties and, within the supplier's own operations it may only be made accessible to those persons whose service is required for the purpose of making the supply or service to us and who (including employees where permissible under employment law) are bound likewise in writing to this duty of non-disclosure; these materials and information remain our exclusive property.

If the supplier, in a duly permissible manner, commissions sub-contractors or sub-suppliers for the purpose of fulfilling the contractual arrangement agreed with us, it must, as a material contractual obligation in our favour, enjoin these parties in writing to a corresponding duty of non-disclosure drafted in such a way, that we accrue an independent right to demand an injunction and to claims damages in the event of a breach of duty. The supplier must voluntarily provide us with proof that it has done so accordingly.

2. Unless we have given our prior, written consent, such information may not be copied or commercially used – unless for the purpose of making deliveries to us. The aforementioned non-disclosure agreement also applies following the end of the delivery arrangement up until this information duly enters the public domain, but not for longer than 4 years following the supply and/or service. The aforementioned duty of non-disclosure does not apply where the supplier is able to demonstrate that it personally and lawfully developed the relayed information prior to receiving it, or that it was already aware of it (in which case the supplier will notify us in writing promptly after having received said information) or the information was public disclosed by way of our written declaration or if there are statutory or public obligations for making a disclosure.

3. At our request, all the information and data originating from us (including any copies or records made thereof) and well as any loaned items must be promptly and completely returned to us or be destroyed, in which case the destruction must be confirmed in writing. If the information provided to the supplier is in the form of data files, these must be completely deleted upon our first demand, and the deletion must be confirmed promptly in writing.

4. In the case of data communicated by us to the supplier, we are entitled to demand that the supplier issue us with a cease-and-desist undertaking subject to penalty, containing a contractual penalty for each culpable breach of the cease-and-desist duty in relation to the further use of our data or copies thereof, the return and/or deletion of which we have demanded of the supplier, said penalty to be set at our discretion (Section 315 German Civil Code (BGB) - which in the case of a dispute may be examined and reduced by a court of law -, but the maximum amount of which may not exceed a total of EUR 250,000.00 EUR for all cases of a breach. We reserve the right to exercise additional cease-and-desist right and compensation claims, whereby the contractual penalty will be fully offset in such a case.

5. We reserve all rights to such information and data (including copyright and the right to use intellectual property rights such as patents, utility models, trademark protection, etc.). Where these have been made available to us by other parties, this reservation of rights also applies in their favour.

6. No licenses or warranties are assigned in connection with the information and/or data disclosed to the supplier.

7. Products made in accordance with our design documen-tation, e.g. drawings, samples or models and such like, or in accordance with our confidential information or with our secret formula or our tools or reproduced tools, may not be used by the supplier itself, nor offered or delivered to any third parties.

§ 20
Safety regulations
Other requirements in relation to deliveries and services

1. In relation to its deliveries, the supplier is required to comply with the safety regulations applicable in the Federal Republic of Germany and the European Union and in the country of use disclosed to it prior to the conclusion of contract, and it must fulfil the standards of current state-of-the-art or any other more stringent technical data or threshold values that may have been agreed.

2. The supplier undertakes only to use materials that correspond with the applicable safety requirements and provisions (as may be amended from time to time), particularly those applicable to poisonous and hazardous materials. The same applies in relation to safety regulations for the protection of the environment as well as regulation in relation to electricity and electro-magnetic fields. The aforementioned duty encompasses all regulations applicable in the Federal Republic of Germany, the European Union and the country of use announced prior to the conclusion of the agreement and - if these differ - the regulations of the destinations countries announced to the Cong tractor prior to or together with the purchase order.

3. If the supplier's products do not correspond with the requirements set out in nos.

1 to 2, we are entitled to rescind the contract. Other compensation entitlements are not affected.

4. We must be informed in writing or text form about any proposed changes to the object of delivery and the service. These require our prior written approval.

5. If we propose to deliver the object of the delivery to a new foreign market, we are required to notify the supplier promptly. The parties are required to find out about the applicable (e.g. more rigorous) quality or production standards prevailing there. If the supplier fails, within one month, to declare in writing if it is familiar with the new quality and/or production standards, and it is able to satisfy these, it is deemed agreed that the supplier knows and fulfils the quality and production regulations applica-ble there.

§ 21
Quality and documentation

1. In the absence of any other agreement, the supplier will bear the costs of the Declarations of Conformity. The Declarations of Conformity must be presented to us in German and English, without delay, along every delivery.

2. Irrespective thereof, the supplier is required to continuously check the quality of the object of the delivery. It must promptly notify us of any possible improvements. The supplier must write to us, without delay, indicating obvious errors in the instructions or any foreseeable complications.

3. If a purchase order contains parameters with minimum and/or maximum values, in the absence of any alternative written agreement the specified minimum values may be not exceeded in relation to any aspect of the object of the delivery or the product, and the specific minimum values may in no event and at no point be undercut.

This is to be ensured by way of suitable testing and measurement procedures, documented accordingly. We are entitled, at any time and at no additional costs, to demand written results of this check.

4. Include in the scope of delivery (and the agreed price) are the product-specific and/or technical documentation, the certificates of conformity as well as German or English-language versions (the choice resting with us) of the other documents, certifications and operating instructions required for the object of the purchase order or the use thereof, as well as the statutory required marking of parts and the product and/or their packaging.

5. The supplier must ensure that precise batch traceability is guaranteed in respect of the delivered items.

§ 22
Software

1. If the object of delivery includes software, without the re-quirement of any additional payment, we are granted the right to deploy the software across our consolidated group, reproduce it as required and make it available worldwide to third parties, together with the object of delivery, in return for a fee or pass or free of charge.

2. Payment for software will only be due following the performance of a formal acceptance procedure concluded with a written declaration of acceptance on our part.

3. In the case of the supply of software, any subsequent performance through new program releases is only permissible following our prior written consent. In the event that we issue this consent, the supplier is duty bound, at its cost, to instruct our employees in using the new program release.

§ 23
Auditing

1. We are entitled (including with regard to our own certification) to perform our own audit of the supplier or have such an audit performed by an expert and/or consultant selected by us. This encompasses an examination of the industrial operations and the supplier's quality assurance system, followed by an evaluation. The findings made here will form the basis for further awards of contract as well our internal appraisal of the operation. (Rating)

2. We are entitled to perform pre-notified checks of the supplier's regular business operations and to monitor the quality assurance measures during normal business hours. If quality issues have arisen in the past, we are entitled, with no advance notice, to perform checks for the purpose of monitoring the quality assurance measures. We do not have this right if the most recent complaint, raised in relation to the supplier's quality assurance measures, was made more than 1 year ago, or if two checks are performed with no advance notice and no deficits were identified.

3. If we have a proven reasonably justified interest, we will be entitled to inspect the supplier's relevant documentation. Such an interest is established particularly where the findings made in this respect would facilitate an assessment of necessity and scope of a recall.

4. In relation to the exercise of our rights set out in nos. 1. to 3 above, the supplier is not obliged to disclose trade secrets.

§ 24
Operational safety/accident prevention/
Compliance with employment and social insurance law provisions

1. We clearly state that the codes of practice in our works regulations apply to all external persons who enter our operations or works site. In the event of breaches of these regulations, we reserve the right to request the persons concerned to vacate our company's premises. If present on our company's premises while operating in its service, for the purpose of preventing accidents the supplier is required to institute and implement all facilities, instructions and measures corresponding to the provisions of the applicable accident previous regulations as well as the generally accepted technical safety and occupational health rules and regulations. The working guidelines of our employers' liability insurance association must be observed.

2. In relation to the personnel deployed, the supplier undertakes to fully comply with the relevant employment and social insurance law regulations, especially including the General Equality of Treatment Act (AGG). The supplier also undertakes, moreover, to observe the applicable regulations for the prevention of child labour and for the protection of young people. The supplier, moreover, is responsible for ensuring that its sub-suppliers likewise observe the aforementioned provisions. If the supplier breaches the aforementioned obligations, in the event of a repetition following a prior warning we will then be entitled to rescind all concluded contracts.

§ 25
General provisions
Severability clause
Legal venue
Choice of law
Data storage

1. Our written consent is required before any reference may be made to our existing business arrangement for advertising purposes or to serve as a reference to third parties.

2. If, according to the law concerning standard business terms set out in Sections 305 to 310 German Civil Code (BGB), any of the provisions of this contract are wholly or partially ineffective/void or unenforceable, now or in the future, the statutory regulations will apply.

If, for reasons other than the law concerning standard business terms set out in Sections 305 to 310 German Civil Code (BGB), any of the current or future provisions of this contract are wholly or partially ineffective/void or unenforceable, now or in the future, this will not affect the validity of the remaining provisions of this contract, provided the performance of the contract - including given the following regulations - would not present an unreasonable hardship to one of the parties. The same applies in the event that an augmentable gap is discov-ered following the conclusion of the contract.

Contrary to the principle of the judicial decisions of the Federal High Court of Justice, according to which a severability clause in principle only reverses the burden of proof, the validity of the remaining provisions of the contract shall be maintained in all circumstances and therefore Section 139 BGB waived as a whole.

The parties shall replace any invalid/void/unenforceable provision or gap that requires filling, for reasons other than the provisions relating to the Law of General Terms and Conditions according to Sections 305 to 310 BGB, with a valid provision the legal and commercial content of which corresponds to the invalid/void/unenforceable original provision and to the purpose of the contract as a whole. Section 139 BGB (partial nullity) is expressly excluded. If the invalidity of any provision is due to its specification of a measurement of performance or time (time limit or date), the parties will agree to insert that provision containing the legally admissible measurement that most closely matches the original.

4. The law of the Federal Republic of Germany shall apply exclusively.

5. The language of the contract, correspondence, legal procedure and court of law is German.

6. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

7. The place of performance is the agreed place for the delivery/service.

8. Disputes will be heard before that court with jurisdiction over the registered address of our company. We are also entitled, however, to pursue legal actions against the supplier at its registered address or the place where the service is rendered.

9. For the purpose of data processing, we store data relating to this contractual arrangement in accordance with Section 26 Federal Data Protection Act.

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