

## 1. GENERAL

1.1 These General Terms and Conditions of Purchase apply exclusively to all our enquiries and orders to suppliers, including enquiries and orders which we may make in the future, and to supply contracts and other agreements with our suppliers. We will not acknowledge terms and conditions of the supplier which differ from or have a broader scope than our own unless we have stated expressly in writing that they are to apply. Our General Terms and Conditions of Purchase apply even if the supplier has sent us its terms and conditions as part of a letter of confirmation or transmitted them in some other manner or if we accept supplies or services of the supplier without reserve in the knowledge that they differ from or conflict with our terms and conditions of purchase.

1.2 Amendments or additions made to these General Terms and Conditions of Purchase by our employees are subject to written confirmation by our management and apply only to the respective transaction for which they were made.

This also applies to a waiver of this written-form requirement.

1.3 These General Terms and Conditions of Purchase shall be interpreted according to their German version even if we provide the supplier with a translation or if the translation is signed by the parties.

1.4 If any provisions of these General Terms and Conditions of Purchase or other contractual provisions are or become invalid, this shall not affect the rest of the contract. The parties agree to replace any invalid provision with a valid provision which reflects as closely as possible the intended economic purpose of the invalid provision.

1.5 The Incoterms in the version valid at the time a respective contract was concluded shall apply, unless these General Terms and Conditions of Purchase stipulate a deviating provision.

## 2. ENQUIRIES, OFFERS, ORDERS, DOCUMENTS

2.1 Our enquiries are not binding.

2.2 When submitting an offer the supplier shall comply precisely with our enquiry. If the offer submitted by the supplier differs from our enquiry the supplier shall expressly state this. The offer shall be made free of charge and shall not place us under any obligation. We will not pay for estimates, travel costs, costs of drafting plans, making drawings and the like unless we have entered into a separate written agreement to this effect.

2.3 Orders must comply with written-form requirements. This also applies to any amendments and additions.

2.4 We retain our copyright and title in illustrations, drawings, drafts, samples and other documents (hereinafter:

"Documents") which we have made available to the supplier in order to submit an offer or execute an order. They shall be used solely for production on the basis of our order and may not be copied or disclosed to third parties. The Documents shall be returned to us unbidden once the order has been completed. Any Documents provided electronically shall be deleted subject to the same criteria. Such deletion shall be confirmed in writing.

## 3. PRICES, TERMS OF PAYMENT

3.1 Agreed prices are binding. Unless otherwise agreed, the prices shall be "free point of receipt" including the costs of packaging, transport, insurance, customs duties, taxes and other levies.

3.2 If the parties agree that delivery shall not be "free place of receipt" the supplier shall take out transport insurance at its own cost.

3.3 Invoices shall be sent in triplicate separately from the goods stating the place of destination, our order number and other markings prescribed in our order. The supplier is responsible for the consequences of any non-compliance with this obligation unless it can prove that it is not at fault.

3.4 Unless otherwise agreed, payments shall be due within 30 days of receipt of invoice and goods. We may deduct a discount of 3% for payments within 14 days of receipt of invoice and goods. If the scope of delivery includes documentation, test certificates or similar documents (hereinafter: Certificates), the above-mentioned payment periods do not begin before we have received the documents in compliance with the contract.

3.5 In the event of delays in delivery or performance, the agreed dates for payment are postponed accordingly. We are entitled to charge interest on any advance payments which we have made of 8 percentage points above the respective base interest rate unless the supplier is not responsible for the delay.

3.6 We may make payments by bank transfers or by cheque.

3.7 Our rights to offset and rights of retention are as provided for by statutory law.

## 4. SUPPLY AND OTHER PERFORMANCE ("PERFORMANCE"), PASSAGE OF RISK, DOCUMENTS

4.1 Agreed dates and deadlines shall be binding.

4.2 The supplier shall notify us in writing without undue delay if circumstances occur or become apparent which mean that the agreed delivery time cannot be met. This does not remove the obligation to meet the agreed date of performance. The supplier shall be liable for any express delivery necessitated by the agreed delivery time being overstepped unless it can prove that it is not responsible therefor.

4.3 The supplier shall fall into default as soon as the agreed date of performance expires even if we do not send notice to this effect unless failure to perform is attributable to circumstances outside the supplier's control.

4.4 If delayed performance is accepted without reserve this does not represent a waiver of any rights which may inure to us owing to failure to meet the date of performance.

4.5 The supplier may only argue that its default was attributable to our failure to provide documents needed to execute the order if it has not received the documents despite having sent a formal written reminder and set a deadline.

4.6 Unless otherwise agreed, delivery shall be "free point of receipt". The supplier shall bear the risk until the goods are handed over at the place of destination. Payment shall be dependent on the quantities, dimensions and weights measured in our plant.

4.7 Unless otherwise agreed, the supplier shall arrange for packaging at its own cost which is suitable for delivering the goods. This shall not affect our right to issue instructions regarding the packaging to be used if the contract stipulates that the supplier is to dispatch the goods (*Versendungskauf*). We may return the packaging material to the supplier at the cost and risk of the supplier or dispose of packaging material at the cost of the supplier. The decision as to which of these options is to be adopted shall be taken at our discretion. However, there is no obligation to return or dispose of packaging material. This shall have no effect on the provisions of the German Packaging Regulation (*Verpackungsverordnung*).

4.8 The following shall be attached to each shipment: dispatch documents such as bills of lading, delivery notes, packing lists and similar and, if contractually agreed or prescribed by statutory law or usual in the trade, works certificates and safety data sheets. All documents shall state the order numbers and the markings stipulated in the contract. The supplier shall send us a dispatch note and a delivery note (in duplicate) for each individual shipment no later than the date of dispatch. We shall be given 48 hours advance notice of the arrival of ships. If we have not received proper dispatch papers when the goods arrive or if our order numbers are not properly stated in the dispatch papers, any additional costs incurred thereby shall be borne by the supplier, unless the supplier is not responsible for the dispatch papers being missing or being incorrect. Clause 4.10 sentence 2 shall apply accordingly.

4.9 The supplier may only make part performance with our prior consent. This shall not affect our right to request part performance from the supplier.

4.10 The supplier is not entitled to render its performance before the agreed performance date. In the event of early delivery we are entitled to refuse acceptance of the goods or to return the goods - at the supplier's cost and risk - or to place the goods in storage until the agreed date of performance. In rendering its performance the supplier shall respect our hours of business.

## 5. DECLARATION OF THE GOODS' ORIGIN

5.1 If a supplier states the origin of the goods it shall make it possible for the customs authorities to verify the proof of origin and provide necessary information and any confirmation which may be required. The supplier shall provide compensation for any loss caused if the competent authority does not acknowledge the declared origin of the goods owing to incorrect Certificates or failure to provide a means of verification unless the supplier is not responsible for the loss.

## 6. EXECUTION, CHANGE IN EXECUTION, WORK IN OUR PREMISES

6.1 The supplier shall execute supplies and services in such a way that they comply with contractual agreements, statutory requirements concerning technical resources, applicable accident prevention requirements, safety at work, environmental and other requirements, applicable technical standards and the generally acknowledged rules of technology. In so doing it shall observe the above rules of the respective country of manufacture, supply and receipt. In executing the contract the supplier shall ensure that the work is carried out in a manner which as far as possible respects the environment and resources, and, as far as possible avoids emissions.

6.2 We may demand a change in the manner of execution even after the contract has been concluded unless the supplier cannot be reasonably expected to implement the change which we demand, taking account of our interests.

6.3 Individuals who work in our premises for the purpose of fulfilling the supplier's obligations shall act in accordance with our instructions and observe our factory rules and regulations and observe the applicable accident prevention, safety at work, environmental and other requirements. Hazardous materials may only be used in consultation with us inside our plant and must be marked accordingly.

6.4 The supplier shall provide us free of charge with plans, execution documents, technical calculations and other documents related to the goods in as far as we need these documents to use, maintain or repair the goods or to the extent that this has been agreed by the parties. On request, the supplier shall also provide us free of charge with spare part drawings containing sufficient data to enable us to obtain spare parts. Once such documents and drawings have been handed over they shall become our property. The supplier shall also provide us with all documents concerning the goods - even before the goods have been delivered - for inspection in as far as this is necessary to monitor the goods and verify their compliance with the contract. The fact that we have approved such documents does not release the supplier from its responsibility for compliance of its performance with the contract unless we insist on execution in accordance with our wishes despite the supplier having expressed reservations to us in writing.

## 7. Tools, Reservation of Title, Provision of Materials

7.1 Forms, tools, print templates or other items (hereinafter: "Tools") for which we are charged become our property on payment. The supplier shall keep these for us free of charge and release them to us on request.

7.2 If we make part-payments for which the supplier does not provide security, the supplier shall grant us part ownership in the Tools pro rata based on the ratio of the payments made to the total price. The supplier shall keep the Tools for us free of charge.

7.3 Any material which we provide shall remain our property. Any processing or transformation is carried out on our behalf and shall not impose any obligation on us. If the materials which we provide are processed using items which do not belong to us we will acquire part ownership in the new item in the ratio of the value of such materials (cost price plus VAT) to the other processed goods at the time of the processing. The same applies if the materials which we provide are inseparably combined with other items which do not belong to us. If such combination process takes place such that the supplier's item must be regarded as the principal item the parties are deemed to have agreed that the supplier shall grant us part-ownership pro rata. The supplier shall keep items in which we have sole or part ownership on our behalf.

7.4 Any materials which we provide shall be stored clearly and separately from other items. They shall be clearly marked as being our property. The supplier shall insure them adequately for fire, water and theft at the supplier's cost. The supplier hereby assigns to us all claims for compensation under such insurance policy; we hereby accept such assignment. The supplier shall carry out any necessary maintenance, inspection, service and repair work on our Tools at its own cost in good time. Any incidents shall be reported to us immediately; culpable failure to do so does not affect claims for compensation.

7.5 If our security rights pursuant to clause no. 7.3 exceed the cost price for any of our goods which have not yet been paid for by more than 10 percent, at the supplier's request we shall release the security rights at our discretion.

## 8. EXAMINATION OF SUPPLIER'S QUALITY ASSURANCE MEASURES, PRE-DISPATCH EXAMINATION OF GOODS, ACCEPTANCE

8.1 We have the right to enter the supplier's premises at any time during normal working and business hours subject to prior announcement and to examine the goods, production process, quality assurance systems, management systems and management measures before, during and after production. We are entitled to exercise this right accompanied by individuals who are not competitors of our suppliers such as customers, external experts or auditors. If the production process or the goods are on the property of a third party, the supplier shall take whatever measures are necessary to enable the above examinations to take place. The supplier shall remedy any shortcomings which it ascertains at the examination or which are reported to it at its own cost. This does not affect clauses in any separate quality assurance agreements between us and the supplier.

8.2 If acceptance is required by statutory law or contractual agreement there must be a formal acceptance procedure and an acceptance report must be made.

## 9. INSPECTION OF DEFECTS, MATERIAL AND LEGAL DEFECTS, LIMITATION

9.1 Our obligation to inspect the goods on delivery is limited to verifying that the goods are the goods ordered and that the quantity is correct, and to checking for any obvious transport damage and defects. Such defects must be reported to the supplier within 14 days of receipt of delivery. Any other defects shall be deemed to have been reported in good time within 14 days of the defect being discovered. Rights associated with defects which are known at the time of acceptance continue to apply even if a reservation to this effect is not specifically stated at acceptance.

9.2 The goods shall be supplied free from quality defects, domestic and foreign industrial property rights and other third-party rights. The supplier shall release us from third-party claims associated with existing third-party property rights and reimburse us for any costs incurred in defending such claims, including costs of legal representation, unless the supplier was not aware of such property rights and could not have been aware thereof even if it had applied the care of a prudent businessman.

9.3 If a claim is justified we have the right to make a claim processing charge of EUR 100.00. We reserve the right to assert rights over and above this.

9.4 If the supplier has been set a reasonable deadline and allows this to expire without having provided subsequent remedy or goods which are free of defects we may remedy the defect at the supplier's cost ourselves or have it remedied by a third party. This does not affect statutory provisions on the dispensability of a deadline or waiver of statutory rights associated with defects including entitlement to recourse.

9.5 The fact that we have approved the supplier's plans, execution drawings, technical calculations, etc. does not affect the supplier's warranty obligations.

9.6 The limitation period for claims as to defects shall be three years from the passing of risk, unless statutory law provides a longer limitation period.

9.7 The limitation period for claims for defects for items ordered as spare parts for goods purchased from the supplier shall be three years after the spares have been delivered to us.

## 10. CONTRACTUAL PENALTY

10.1 In the event of a delay in delivery we may demand a contractual penalty of 1% of the delivery value per full week of the delay, but no more than a total of 5% of the value of the delivery concerned. We may assert our right to claim a contractual penalty in addition to claiming delivery. This right is deemed to have been asserted in good time if declared to the supplier within 10 working days from the date of receipt of the delayed delivery. We reserve the right to assert further rights, in particular claims for damages. The contractual penalty shall be offset against any damages.

10.2 If the parties have made provision for contractual penalty we may demand that the contractual penalty be paid even if we have not reserved this right on acceptance of performance. The contractual penalty must, however, be asserted by the time of the final payment.

## 11. PRODUCT LIABILITY, INDEMNITY AND THIRD-PARTY LIABILITY INSURANCE

11.1 If the supplier's goods cause injury or death to a third party or damage a third party's property, the supplier shall indemnify us from third-party compensation claims at first request to the extent that liability therefor lies within the supplier's sphere of control, and/or organisation and the supplier is liable itself to third parties.

11.2 In the context of its liability for damage pursuant to no. 11.1, the supplier shall also reimburse us pursuant to statutory regulations for any expenses for or associated with a product recall measure which we carry out. In this connection the supplier shall provide us with appropriate assistance, including without limitation providing us without undue delay with all information. This does not affect other statutory or contractual rights.

11.3 The supplier shall conclude product liability insurance with appropriate cover for personal injury and property damage and maintain this for the term of the contract, i.e. until the limitation period for defects has expired. This shall not affect our right to assert compensation claims over and above this.

## 12. OFFSETTING AND ASSIGNMENT OF CLAIMS; WITHHOLDING PAYMENT

12.1 The supplier may only offset against claims which are undisputed or which have been ruled final and absolute by court of law. The supplier may only withhold payment for claims arising from the same contractual relationship and which are undisputed or which have been ruled final and absolute by a court of law or for which such court decision is imminent.

12.2 Claims which the supplier has against us may not be assigned to third parties. This does not affect § 354a of the German Commercial Code (*Handelsgesetzbuch*).

## 13. LIABILITY

13.1 We shall be liable as provided for by statutory law to the extent that the supplier asserts compensation claims which are attributable to intent or gross negligence including intent or gross negligence on the part of our representatives, key employees or vicarious agents. Where we are not responsible for breach of contract with intent, our liability for compensation is limited to typical and foreseeable damage.

13.2 This does not affect liability for culpable damage to life, body or health. This also applies to mandatory liability under the German Product Liability Act (*Produkthaftungsgesetz*).

13.3 The supplier shall not be entitled to any other compensation for the direct or indirect loss irrespective of the legal ground including any claims for compensation owing to a breach of pre-contractual duties or tort.

13.4 If claims are asserted against us owing to breach of official safety requirements or other grounds under domestic or foreign law, we may demand that the supplier reimburse us for the loss incurred to the extent that the goods supplied by the supplier or the supplier's conduct were defective and caused the loss unless the supplier can demonstrate that the loss was unavoidable and unforeseeable and that the supplier is not at fault.

## 14. CONFIDENTIALITY

14.1 The parties shall treat any confidential information and documents received or acquired from the other contractual partner with confidentiality, shall not disclose them to third parties (subject to clause no. 14.2) and only use them to the extent necessary for proper handling of the contractual relationships.

14.2 The parties may only disclose confidential information to employees and advisors to the extent that this is necessary for proper handling of the contractual relationships. The parties shall impose the confidentiality obligation set out in clause no. 14.1 on such employees and advisors and provide the other party with written evidence of this on request.

14.3 The confidentiality obligation does not apply to information which was already publicly known at the time it was transmitted to the contractual partner or which became publicly known through no fault of the contractual partner after it had been transmitted.

14.4 The confidentiality obligation continues to apply after this contract has been terminated. It will lapse when and to the extent that the knowledge contained in the confidential information and documents has become general knowledge.

14.5 The disclosure of confidential information and the transmission of confidential documents do not entitle the receiving party to any rights in the industrial property rights, know-how or copy-right of the transferring party. The parties agree that the disclosure or transmission of confidential information does not constitute a prior publication or prior right of use within the meaning of the German Patent Act (*Patentgesetz*) and the German Utility Model Act (*Gebrauchsmustergesetz*).

14.6 The supplier shall pay a contractual penalty for each contravention of the confidentiality obligations. We will determine the amount of this contractual penalty at our reasonably exercised discretion taking account of the individual circumstances of the case unless the supplier is not at fault. The supplier may have the appropriateness of the contractual penalty which we have set reviewed by the competent court pursuant to clause no. 15.2. This does not affect any rights which we may have over and above this, including without limitation claims to compensation. The contractual penalty shall be offset against any damages.

#### 15. PLACE OF PERFORMANCE, JURISDICTION, APPLICABLE LAW, SEVERABILITY

15.1 The place of performance for delivery of the goods shall be the place of destination stipulated by us. The place of performance for our payments shall be the location of the Feintool System Parts Sachsenheim operation which entered into the contract concerned.

15.2 If the supplier is a merchant, legal person under public law or a special public-law fund the exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be Sachsenheim, Germany. However, we may apply to any other court which is competent under statutory provisions instead of the court stated above.

15.3 The laws of the Federal Republic of Germany shall apply, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

15.4 If any provision of these General Terms and Conditions of Purchase should be or become invalid this shall not affect the validity of the remaining provisions. In that event the parties shall start negotiations without undue delay in good faith with the aim of replacing the invalid provision with a valid provision which reflects as closely as possible the originally intended economic purpose of the invalid provision(s).

#### IMPORTANT:

We save and process data of the supplier and other third parties involved for IT purposes to the extent that this is necessary for proper handling of the contractual relationships. In this connection data may have to be transmitted to other companies if this is necessary to establish, carry out or end the legal relationship with the supplier.

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