

§ 1 Applicability

(1) All deliveries, services and offers of our suppliers shall take place exclusively on the basis of these general terms and conditions of purchase. These form a part of all contracts which we conclude with our suppliers or service providers in respect of the deliveries or services which they provide and we engage. They also apply to all future deliveries, services or offers to us, even if they are not separately agreed again. Should we assume the role of supplier, seller or contractor, our separate general terms and conditions of supply shall exclusively apply.

(2) The terms and conditions of business of our suppliers or third parties shall not apply, even if we do not separately object to their applicability in individual cases. Even if we refer to written correspondence which contains terms and conditions of business of the supplier or of a third party or refer to such, this shall not amount to agreement on our part to the applicability of the said terms and conditions of business.

(3) The most up-to-date version of our general terms and conditions of purchase shall always apply. These can be downloaded at <http://www.gebruederschmidt.de/>

§ 2 Orders and jobs

(1) Unless our orders expressly contain a different lock-in period, we shall be bound for one week following the date of the order. The receipt of the acceptance declaration by us shall be decisive concerning timely acceptance.

(2) We shall be entitled to amend the time and place of delivery, as well as the type of packaging at any time by giving notice of one week prior to the agreed delivery date, unless our supplier has notified us in advance that it must make delivery arrangements earlier in a binding manner. At the same time, we shall be entitled to amend the products specification, provided that this can be carried out within the framework of the normal production process of the supplier without significant extra expense. We shall reimburse the supplier in respect of the reasonable additional costs which are caused by the amendment and in respect of which proof is provided. We shall also pay reasonable and customary remuneration for work which has already been carried out in respect of which proof is provided and which has been provided in concrete terms on the basis of our order, but which becomes obsolete due to the amendment. Our supplier shall be obliged to immediately notify us in text form of the expected scope of the additional expenses and the work which has already been provided in respect of which remuneration

is to be paid (§126b of the German Civil Code - BGB).

(3) Should such changes requested by us lead to delivery delays which cannot be avoided in the normal production and business operation of the supplier with reasonable efforts, the originally agreed delivery date shall be postponed accordingly. The supplier shall immediately notify us in text form (§126b BGB) of the delivery delays to be expected in accordance with its careful estimation.

(4) We shall be entitled to terminate the contract at any time by means of written declaration stating the reasons or to rescind the agreement if we can no longer use the ordered products in our business operation due to reasons that arise after conclusion of the contract for which we are not responsible. In such a case, the supplier shall be able to demand the agreed remuneration, however it must set off those expenses which it saves as a result of cancellation of the contract or which it earns by using its manpower elsewhere or maliciously omits. It is presumed in such a case that our supplier will be entitled to 5% of the remuneration due on part of its service which has not yet been provided.

§ 3 Prices, terms and conditions of payment, invoice details

(1) In the absence of a deviating agreement, the agreed price shall include the statutory value added tax and includes delivery and transportation to the delivery address stated in the contract, as well as packaging.

(2) To the extent that the price does not include packaging in accordance with the concluded agreement and the remuneration for the packaging which is not only provided on a loan basis is not expressly determined, this shall be charged to the verifiable cost price. On our request, the supplier shall take return of the packaging at its own expense.

(3) We shall pay the purchase price following delivery of the goods and receipt of invoice within 14 days with a 3% discount or within 30 days net. The receipt of our bank transfer mandate by our bank shall suffice for timeliness of the payment we are obliged to make.

(4) In all order confirmations, delivery papers and invoices, our order number, the article number, delivery quantity and delivery address must be stated. Should one or more of these details be missing and the processing by us within the framework of our normal business dealings be delayed as a result, the payment deadlines named in Paragraph 3 shall be extended by the length of time of the delay.

(5) In case of payment delay, we shall be obliged to pay default interest to the amount of five percentage points above the base rate of interest in accordance with § 247 of the German Civil Code (BGB).

§ 4 Delivery time and delivery, assignment of risk

(1) The delivery time (delivery date or delivery deadline) stated in the order shall be binding. Earlier deliveries shall not be permitted. In case of non-timely acceptance, we shall not enter acceptance default until expiry of a reasonable period of grace set by the seller in text form (§126b BGB). The storage or depositing of the goods ordered by us shall require a prior warning. The self-help sale shall be excluded unless the goods are exposed to spoilage.

(2) The supplier shall be obliged to immediately inform us in writing should circumstances arise or become recognisable which mean that the delivery time cannot be met.

(3) In case of delivery delay, we shall be entitled to the statutory claims without limitation, regardless of the right to demand performance as previously stated.

(4) In case of delivery delays, we shall be entitled, following the issuing of a prior written warning to the supplier, to demand a contractual penalty of 0.5% of the respective order value, however a maximum of 5%, for each commenced week of delivery default. The contractual penalty shall be set off against the default losses to be reimbursed by the supplier.

(5) The supplier shall not be entitled to provide partial deliveries without our prior written agreement.

(6) Even if shipment has been agreed, the risk shall not be transferred to us until the goods are handed over to us at the agreed destination.

§ 5 Protection of ownership

(1) We shall reserve all ownership and copyright in respect of the orders and jobs submitted by us, as well as the drawings, illustrations, calculations, descriptions and other documents made available to the supplier. The supplier shall not be permitted to either make the above information accessible to third parties, or make them known, use them or duplicate them themselves or through third parties without our express consent. On our request, the supplier must fully return the said documents to us. Any copies of the above made by the supplier shall be destroyed; only storage within the framework of statutory retention obligations, as well as the saving of data for security purposes within the framework of usual data backup, shall be excepted from this provision.

(2) Work tools, devices and models which we make available to the supplier or which are produced for contract purposes and are charged to us separately by the supplier shall remain our property or ownership shall be transferred to us. They shall be identified as our property by the supplier, shall be carefully stored, be protected against damage of any kind and only used for the purpose of the contract. Half of the costs of maintenance and repair of the said objects shall be borne by the contracting partners each, unless otherwise agreed. However, should the said costs be due to defects on the part of the objects manufactured by the supplier, or be due to

improper use on the part of the supplier, its employees or other vicarious agents, the said expenses shall be borne solely by the supplier. The supplier or service provider shall notify us immediately of all serious damage to the said objects. The supplier shall be obliged to hand over the said objects to us in a proper condition should we so request, however at the latest on termination of the contractual relationship.

(3) Retentions of ownership of the service provider shall only apply to the extent that they refer to our payment obligation for the respective products in respect of which the supplier retains ownership. Any reservations of ownership which go beyond the above or which are extended are hereby objected to.

§ 6 Warranty claims

(1) In case of defects, we shall be entitled to the statutory claims without restriction. The guarantee period shall be 36 months.

(2) In any case, in respect of goods received by us, the inspection shall have been carried out on time if this takes place within one week of receipt by us. Any quality and quantity deviations which arise shall be deemed to have been objected to on time if notified to the supplier within two weeks of receipt of the goods by us. Hidden defects shall be considered to have been objected to by us in a timely manner if the notification to the supplier takes place within two weeks of discovery.

(3) We shall not waive guarantee claims by acceptance or approval of submitted samples or specimens.

(4) On receipt of the defect notification in text form (§126b BGB) by the supplier, the statute of limitation of warranty claims shall be suspended. The suspension shall terminate two weeks following the subsequent rejection of warranty claims by our supplier.

(5) In case of replacement delivery and correction of defects, the warranty period for replaced and corrected parts shall commence once again, unless we must proceed on the assumption due to the behaviour of the supplier that it did not consider itself obliged to carry out the measure, rather it only carried out the replacement delivery or defect correction for goodwill or similar reasons.

§ 7 Product liability

(1) The supplier shall be responsible for all claims brought by third parties as a result of injury to persons or damage to property which are due to a defective product or defective services delivered by it and shall be obliged to release us from the resulting liability on first request. Should we be obliged to carry out a product recall in relation to third parties due to a defect in a product delivered by the supplier, it shall bear all costs connected to the said product recall.

(2) Should we have recognised the presence of the product defect and its potential to cause damage within the framework of continued production, or should its presence and potential to cause damage

have remained unknown due to gross negligence, our supplier shall only incur liability in accordance with its fault contribution. Otherwise, our joint responsibility shall be excluded.

(3) The supplier shall be obliged to maintain a product liability insurance policy with a minimum sum insured of 6,000,000.00 EUR for personal injury, 4,000,000.00 EUR for damage to property and 2,000,000.00 for financial losses. The supplier or service provider shall forward a copy of the liability insurance policy to us on request at any time. Should the existence of a corresponding insurance policy not be proven to us on our request within a reasonable period of time determined for this purpose, we shall be entitled to terminate or rescind concluded contracts without notice for important reasons.

§ 8 Property Rights

(1) The supplier is aware that we supply customers worldwide and that we depend on the products delivered to us being free of third party rights. Therefore, the supplier hereby guarantees that no commercial property rights or third party copyright are breached worldwide in connection with its delivery.

(2) The supplier shall be obliged to release us on first request from all claims which third parties bring against us due to breach of commercial property rights or copyright and to reimburse us in respect of all necessary expenses connected to the said claim. This claim shall exist regardless of fault on the part of the supplier.

§ 9 Replacement parts

(1) The supplier shall be obliged to provide replacement parts for the products delivered to us for a period of at least two years following expiry of the warranty period to the extent that is customary in the trade. In case of the delivery of machines, the period shall amount to at least ten years.

(2) Should the supplier intend to suspend production of the products delivered to us or of replacement parts for the products delivered to us, the supplier shall immediately inform us of the decision to carry out the suspension. A period of at least 12 months must exist between the notification and the suspension, unless compelling operational requirements of the supplier require a shorter period.

§ 10 Non-disclosure

(1) The supplier shall be obliged to maintain secrecy in respect of the terms and conditions of the order and all information and documents made available for this purpose (with the exception of information which is publicly accessible) and to only use these for the purpose of performance of the order. Following the conclusion of enquiries or processing of orders, these shall be returned to us immediately on request.

(2) Without our prior written agreement, the supplier shall not be permitted to refer to the business relationship with us in advertising materials and bro-

chures etc or to show delivery objects manufactured for us.

(3) The supplier shall ensure that it also places the said obligation on its own customers, suppliers and contracting partners as defined in the paragraphs above.

§ 11 Assignment; counter rights

(1) The supplier shall not be permitted to assign its claims under the contractual relationship to third parties. This shall not apply in the case of monetary claims.

(2) Should we be entitled to counterclaims in relation to the supplier under the same legal relationship or a different relationship, we shall be entitled to contest the claims of the supplier, in particular by means of offsetting or a right of retention. This shall also apply if our counterclaims are disputed or have not been legally recognised.

§ 12 Closing provisions

(1) The place of performance for all obligations under this contract shall be Idar-Oberstein, Germany. The place of jurisdiction for any disputes connected to the business relationship between ourselves and the supplier shall be Idar-Oberstein or the place of business of the supplier. Idar-Oberstein shall be the exclusive place of jurisdiction for lawsuits against us. Mandatory statutory provisions concerning exclusive places of jurisdiction shall not be affected by this provision.

(2) The relationships between ourselves and the supplier shall be subject exclusively to the laws of the Federal Republic of Germany. The United Nations Convention concerning Contracts for the International Sale of Goods of 11 April 1980 (CISG) shall not apply.

(3) Should the contract or these general terms and conditions of purchase contain loopholes, those legally effective provisions which the contracting partners would have agreed in accordance with the economic purposes of the contract and the objective of these general terms and conditions of purchase if they had been aware of the loopholes shall apply in order to fill the said loopholes.

(4) The supplier is aware that we save data connected to the contractual relationship for the purpose of data processing in accordance with § 28 of the German Federal Data Protection Act (Bundesdatenschutzgesetz) and we reserve the right to forward the data on to third parties to the extent that this is necessary for fulfilment of the contract.