

GENERAL CONDITIONS OF PURCHASE OF SCHOBERTECHNOLOGIES GMBH (STG)

01.12.2010

I. ORDERS AND CONCLUSION OF CONTRACT

1. All orders from STG shall be exclusively on the basis of these General Conditions of Purchase. The Supplier's own General Terms & Conditions shall not form part of the contract, even where no express exception to them is taken. This shall also apply where the Supplier's General Terms & Conditions do not contradict these General Conditions of Purchase.
2. STG is bound to the order (contract offer) for 2 weeks after the date of the order. After this time, STG may cancel the order if by then the Supplier's written order confirmation (declaration of acceptance) has not been received.
3. STG's order shall form the basis of the contract. Where the Supplier wishes to depart from the specified order in his order confirmation, he must expressly advise STG of same.
4. STG is entitled to alter technical details of the order even after the contract has been concluded, provided that this may be reasonably demanded of the Supplier.
5. Changes or amendments to this contract must be in writing. This shall also apply with regard to this written form requirement.
6. All correspondence with STG must include STG's order details in full.

II. PRICE

1. In case of doubt the agreed price is carriage paid to the STG works including packaging, excluding VAT.
2. Where STG requests alterations retrospectively in the sense of I.4 above this shall not incur any change to the agreed price. This shall not be the case where, immediately after announcement of the request for alteration, the Supplier indicates the incurrence and amount of extra costs. In this case STG shall decide whether it wishes to accept the altered price to accommodate the specified extra costs or whether it wishes to forgo the alteration of the order.
3. STG is entitled to avail of any price reductions of the Supplier which may be implemented prior to delivery.

III. DELIVERY AND ACCEPTANCE

1. Differences in the type and scope of the contractually agreed delivery require STG's approval. STG shall give this approval if the difference is necessary or appropriate in light of technical progress and if STG's interests are not affected.
2. The delivery shall take place on those dates which have either been specified in the contract or which have been determined by STG on demand. The delivery date shall be deemed to have been observed when the goods are received by STG.
3. Where the Supplier foresees that delivery dates cannot be met, he shall inform STG accordingly without delay.
4. Where, in the event of delayed delivery, STG negotiates new delivery dates, this shall only be done to reduce losses. Such an action represents neither acceptance of a change to the contract nor a waiving of any claim for compensation.
5. Labour disputes, *force majeure* and other circumstances beyond STG's control relieve STG of the obligation to accept delivery for the duration of the obstruction.
6. The packaging of the deliverables must meet the latest legal requirements on packaging. Only packaging which may be reused or recycled shall be accepted. Packaging which does not fulfil these criteria shall be returned to the Supplier at the latter's expense.

IV. PAYMENT

1. The Supplier shall present invoices in duplicate to STG separately from the goods.
2. Payment shall be at STG's discretion either within 14 days of receiving the invoice with a 3% cash discount or within 30 days net. The term shall commence only after receipt of the goods or full performance of service.
3. All payments are subject to invoice verification.
4. Where payment arrangements have been made which differ from the aforementioned terms, this shall be valid only on condition that circumstances do not retrospectively occur or become known which justifiably cast doubt on the Supplier's economic or technical ability to perform. Where this is the case, STG shall only be required to pay his contractual debt on a basis of payment against outstanding service.

V. WARRANTY

1. The warranty period shall be 24 months. It takes effect with the delivery of the goods to STG. This shall not apply to items which in keeping with their designated purpose are not put to use immediately but are, for example, delivered to third parties. In these instances the warranty period shall commence only from the time the item is put to its designated use, but at latest one year after handover to STG and shall also be 24 months.
2. STG is obliged to undertake a standard incoming goods inspection but is not required to ascertain their functional efficiency as well. Defects must be notified within three weeks of being identified, or four weeks in the cases specified at No. V.1, sentence 3.
3. In the event of justified notification of defects, STG may choose to have the defect remedied, to have the item(s) replaced or to accept a reduction in the agreed price. In urgent cases, STG may itself also remedy the defect at the Supplier's expense. Other claims which STG may have shall remain unaffected.

4. Where defective goods are delivered on a repeated basis (at least twice), STG shall be entitled to threaten withdrawal from the contract or termination in the event that defective goods are again delivered and may then take action accordingly. The threat of withdrawal or termination is not necessary where special circumstances prevail which, with due consideration of the interests of both Parties, would justify immediate withdrawal. STG's right to demand compensation, in addition to withdrawal or termination, shall remain unaffected in all cases.
5. Any extra expenses incurred which, through circumstances for which the Supplier is responsible, make necessary an incoming goods inspection in excess of the standard degree, shall be borne by the Supplier.
6. Where STG is liable to his own buyer owing to defects in goods supplied, which were not identified despite standard incoming goods inspection, the Supplier shall reimburse STG for any loss incurred.

VI. PRODUCER'S LIABILITY AND THIRD PARTY PROPERTY RIGHTS

1. In so far as claims may be made against STG by third parties on the basis of producer's liability because of the condition of the contract item, the Supplier agrees internally to indemnify STG against any such claims, and to compensate STG for any loss incurred.
2. The same shall apply where the delivered goods violate the property rights of third parties.

VII. CE CONFORMITY

1. The deliverables shall conform to the recognised standards of technology with regard to safety. The Supplier undertakes to declare in the order confirmation that safety conformity requirements have been met and shall on request present the necessary documents upon which this may be appraised. Where this provision is not observed, it shall be deemed that the order has not been duly fulfilled.
2. The right to claim for compensation for any resultant consequences is reserved.

VIII. WORKING ON STG'S PREMISES

1. Employees and agents of the Supplier who in order to fulfil the terms of this contract may be required to enter or work on STG's premises shall take note of and observe STG's work rules and all instructions given by supervisory personnel.
2. In the case of accidents involving such persons, STG shall be liable to the Supplier only for its own actions and those of its vicarious agents in the event of deliberate act and gross negligence. This liability restriction shall not apply where STG is in breach of a material contractual obligation (cardinal obligation), or in the event of injury to life, limb or health.

IX. MATERIALS, SAMPLES AND DRAWINGS PROVIDED

1. Materials and parts provided by STG remain the property of STG and may only be used for the purpose of fulfilling this contract. Any processing or linking with other parts is on STG's behalf. STG shall have joint title in the new item to the sum of the value of the materials or parts provided in relation to the value of the new item. The storage of the new item shall be on STG's behalf.
2. Documents of any kind which STG has made available to the Supplier, and in particular samples, drawings and models, are merely given on a loan basis and only for the purposes of this contract. They must be returned immediately to STG in perfect condition on request or at latest, and without request, when no longer required. They are to be treated confidentially and third parties shall not be granted access to them or their content or abstracts thereof. Nor may they or their content be used by the Supplier for his purposes or for the purposes of third parties.

X. FINAL PROVISIONS

1. The place of performance and of jurisdiction shall be the place in which STG's registered office is located.
2. This contract is based solely on domestic German law applicable when both Parties have their registered office in the Federal Republic of Germany, and shall therefore in particular exclude the terms of international sales legislation and regulations as defined in the United Nations Convention of 04-11-1980.
3. Where one of the provisions of this contract is invalid this shall not affect the validity of the remaining contract provisions. The invalid provision shall be replaced with a permissible provision whose economic purpose resembles as closely as possible that of the provision which it is replacing.
4. STG may store the Supplier's data in a legally permissible manner, provided that this serves the performance of the respective contract and the maintenance of the business relationship and where opposing interests on the part of the Supplier are not apparent. This wording has the effect of notification in the sense of Art. 33, para. 1 of the Federal Data Protection Act.