

The terms and conditions below apply to our purchase orders, unless otherwise provided for in writing. Deviating conditions of the supplier shall not apply, unless such conditions have been expressly acknowledged by us; they will not form part of the contract even if they are specified in the acceptance of the purchase order, unless they have been expressly acknowledged in writing. The same applies if we accept ordered goods, in whole or in part, or make payments; the performance of the purchase order by the supplier shall be deemed to be an acceptance of our terms and conditions below – even without written confirmation. These terms and conditions shall also apply to all future transactions with the supplier.

I. Offers

Offers shall be submitted bindingly and free of charge.

II. Purchase Orders, Conclusion of the Contract

1. Purchase orders and other declarations shall only be binding if such are given or confirmed by us in writing.
2. The supplier shall acknowledge our purchase order within 10 days in writing.

III. Prices

1. Prices shall be deemed to be fixed prices, unless any price escalation clause or price reservations have expressly been confirmed by us. Purchase orders may not be performed for a higher price than the one specified by us, unless we have given our written consent.
2. If delivery-date prices have been agreed, the price prevailing at the date of receipt of the material shall apply.
3. Prices are deemed to be carriage paid to our factory in St. Georgen, including packaging and freight costs. If deviating provisions are agreed, we will only pay the most favourable freight costs. All costs which arise up to the hand-over to the carrier – including loading and carriage – shall be borne by the supplier. We reserve the right to accept excess or short supplies.

IV. Invoice and Payment

1. Invoices shall not be enclosed in the shipment, but shall be submitted separately for each purchase order after the delivery and shall include the value added tax, our purchase order number and the date of the purchase order.
2. Payments will be made in a currency of our choice – bills of exchange for refinancing purposes (cheque / bill of exchange) shall be permissible as well – within 21 days with a discount of 3 % or net within 30 days. In the event of payment using the supplier's notes receivable or promissory notes, we shall bear the discount under the conditions achievable on the date when the bill of exchange is drawn.
3. Payment terms will always start on the date on which we receive the invoice, however not before we have received the goods or before the services have been rendered.
4. We refuse to accept payment terms specifying cash on delivery.
5. Our payments will always be made under the reservation of a correction if there are grounds for subsequent claims. In the event of a defect subject to warranty, we shall be entitled to refuse the payment until a proper remedy of such defect.

V. Assignment, Offsetting

1. The supplier shall not be entitled to assign its claims against us or to have them collected by third parties, unless we have given our prior written consent which must not be unreasonably withheld. In the event of extended retention of title, our consent shall be deemed to be given if an offsetting with counterclaims is admissible even with those which were acquired after notification of the assignment.

If the supplier assigns its monetary receivables due from us to a third party without our consent, i.e. in violation of sentence 1, such assignment shall nevertheless be effective. However, we may, at our discretion, make payment to the supplier or the third party, with liberating effect.

2. The supplier shall only be entitled to set-off with claims acknowledged by us or with claims that are declared final by a court or to assert a right of retention based on such claims.

VI. Delivery Item

1. Our purchase order shall be solely decisive for the contents, type and scope of the delivery and service. We shall be entitled to request changes of the type of performance at any time, and to request corrections of obvious typing or calculation errors as well as other mistakes.
2. Drawings, descriptions, data of any type etc. belonging to the purchase order shall be binding for the supplier. However, the supplier shall check them for any discrepancies and immediately inform us in writing of any discovered or suspected errors. The supplier shall also remain solely responsible for drawings, plans and calculations prepared by them, even if such are approved by us.
3. If we have informed the supplier of our factory standards, they shall form the basis of our purchase order. If the purchase order does not specify any further requirements, the supplier ensures that the delivery items are of a customary commercial quality and will be supplied in compliance with the standards DIN, VDE, VDI, BGV (UVV) or any equivalent standards, if such exist. The delivery items shall be manufactured and equipped in such a way that they comply with the provisions of the *Geräte- und Produktesicherheitsgesetz* [Device and Product Safety Law] as well as with the safety provisions, in particular the accident prevention provisions, as well as with the status of knowledge of industrial science, occupational medicine and hygiene prevailing on the date of delivery.
4. For a complete performance of the contract, the delivery item shall include (as an essential part of the delivery) detailed documentation according to the CE standard. If Germany is not the country of origin of the delivery item, a certificate of origin shall be required.
5. If a determination of the weight is required, the incoming weights determined by us on our shop scales shall apply. If weighing cannot be performed by us, the net weights determined by the railway, those shown on the consignment note, or those determined by a public scale upon delivery by truck shall apply.

VII. Provisions, Production Resources

1. Any objects provided by us shall be finished, processed or used on our behalf according to their intended purpose and will remain our property in each stage of working or

processing. If such objects are processed together with other objects not owned by us, we shall be entitled to co-ownership of the newly produced objects in the proportion of the value of our provision to the sum of all objects used in the manufacturing, including the expenses of the supplier for their processing. In this respect, the supplier shall keep the objects safe for us, free of charge. The same shall apply if our ownership is lost due to mixing or combining. We shall be informed immediately of any legal or actual impairment of the objects provided.

2. The supplier shall be liable for the loss or damage of objects provided. In the event of accidental destruction or accidental damage of the objects provided, the supplier shall have no claim for replacement of their expenses for the finishing or processing of these objects.
3. Production resources such as models, samples, tools, gauges, forms, appliances, drawings, data and the like which we provide to the supplier or which are manufactured by the supplier according to our data or by third parties for the supplier, shall neither be sold, pledged or otherwise transferred to third parties without our written consent nor used or copied in any way for third parties. The same applies to objects manufactured by using these production resources; they shall be delivered exclusively to us, unless we agree in writing to any other use. After the performance of the order, the production resources shall immediately be returned to us in a proper condition and without special request.
4. Any tools, forms, appliances, templates, films, plates, drawings, engravings, models, specimens, data of any type provided or ordered by us will remain our property or will become our property upon acquisition or manufacturing; the transfer will be replaced by the fact that the supplier keeps these items safe for us. The items shall be identified as our property, cared for and repaired, in full, as well as insured sufficiently. Art. 690 *BGB* [German Civil Code] shall not apply. In addition to ownership, we shall be entitled to the right to provide the items to third parties for manufacturing purposes. This shall apply in particular in the event of production difficulties on the part of the supplier. If we request that the supplier provide the items, they shall immediately fulfil our request without right of retention. Irrespective thereof, we are willing to leave the items in the supplier's possession for as long as the supplier performs the deliveries in compliance with the order, in particular in due time and at competitive prices.
5. In the event of a violation of the provisions under item 3 and 4 by the supplier, we shall be entitled to withdraw from the contract, in whole or in part, or to claim damages instead of the performance or to request reimbursement of futile expenses, without prejudice to other rights.

VIII. Withdrawal

1. We shall be entitled to withdraw from the contract, in whole or in part, without compensation if the supplier's creditworthiness or ability to make deliveries is impaired in such a way that we are of the opinion that the performance of the contract is endangered, if the supplier ceases payment, if insolvency proceedings are filed over the supplier's assets or if insolvency proceedings are refused for lack of mass.
2. If we are unable or essentially impaired from meeting our contractual obligations on account of circumstances which go beyond our reasonable control – in particular in the event of force majeure - we may cancel the contract, in whole or in part, or request the performance at a later date; no claims against us will arise from the supplier as a result.

IX. Delivery Date

1. Agreed delivery dates or delivery periods shall be binding. Delivery periods will commence on the date of the purchase order.
2. The date of delivery shall be the date on which the ordered item of delivery and the shipping documents reach the stipulated place of receipt or when the service is rendered there.
3. If it becomes apparent that the delivery date or the delivery period will be exceeded, the supplier shall immediately notify us in writing about the reason and the foreseeable duration. In the event that delivery dates or periods are exceeded, the legal consequences of default shall apply, unless such excess is verifiably caused by force majeure or non-culpable industrial actions or lies within the supplier's sphere. In such an event, the supplier shall be obligated, in particular, to reimburse the damage caused by the delay. Any acceptance of delayed deliveries shall not be considered a waiver of claims for damages against the supplier.
4. In the event that the delivery date or period is exceeded, we shall be entitled to withdraw from the contract after having granted a reasonable notice period. In addition to such withdrawal, we shall be entitled to claim damages instead of the performance or to claim reimbursement of expenses which have been incurred without success, unless the supplier is not responsible for missing the date.

X. Packaging, Shipment, Acceptance

1. If the item of delivery needs packaging or if such is customary, the supplier shall ensure sufficient packaging at their own expense.
2. We will not pay for packaging material in addition to the agreed price for the delivery, unless such payment has been expressly agreed. We reserve the right to return valuable packaging material used for the shipment to the supplier's address by passing on the rental costs or the value of the packaging in full.
3. The dispatch shall be made to the place of receipt specified by us. Deliveries for which we need to bear the freight costs, in whole or in part, shall be transported by using the shipping method which is most cost-effective for us and by using the most favourable freight types.
4. In the event of deliveries including assembly or set-up at our registered office in St. Georgen, the risk shall pass to us upon the final acceptance, for other deliveries when the item of delivery is received and unloaded at the specified place of receipt. Until such time, delivery and shipment shall be made at the supplier's risk, unless we are in default of acceptance.
5. Costs for transport or breakage insurance will only be borne by us after prior written agreement.
6. Dispatch notes shall be submitted immediately when each individual delivery has been sent. A consignment note shall be included in each shipment. The consignment documents shall state our order and item numbers.
7. If we do not have proper consignment documents upon receipt of the item of delivery or if our order and item numbers are not correctly stated in the consignment documents, all extra costs arising as a result shall be borne by the supplier; in these events, we shall also be entitled to refuse the acceptance of the delivery at the supplier's costs.

GENERAL TERMS AND CONDITIONS OF PURCHASING

SCHMIDT Technology GmbH, 78112 St. Georgen (June 2012)



8. We may also refuse the receipt of the item of delivery if such receipt is made impossible or unreasonable due to force majeure or other circumstances beyond our control, including labour disputes. The supplier shall store the item of delivery at their own expense and risk in such events.
9. We shall not be in default of acceptance in the cases mentioned in items 7 and 8.
10. If deliveries not accepted by us or defective goods are returned, such return shipment shall be made at the supplier's risks and costs. The equivalent value of the return shipment shall be charged to the supplier.

XI. Warranty

1. The supplier's warranty obligations shall be subject to the legal provisions, unless otherwise specified below. We shall, at our discretion, be entitled to request the remedy of the defect or the delivery of a defect-free item. In urgent cases, we shall, without further preconditions, be entitled to perform the remedy of the defect, to have it performed by a third party or to procure any other replacement at the supplier's expense.
2. The replacement delivery shall be made free of freight and packaging expenses. Return shipments of unusable goods shall be made free of freight and packaging costs for us. All costs arising from the remedy of the defect shall be borne by the supplier.
3. The warranty period shall be 2 years, unless otherwise specified. It shall be extended by the period during which the item of delivery cannot be used due to defects. It shall commence after the use of the item, but will last for a maximum of 3 years from receipt or acceptance. In the event of replacement deliveries, a new 2 year period shall commence.
4. We may complain about defects which are only detected upon processing or commencement of use of the delivered item immediately after their detection. In this respect, the supplier waives the objection of a late notification of defects. Our payments shall not be deemed to be a receipt of the goods without reservations.
5. If a complete inspection going beyond the usual degree of inspections of incoming goods becomes necessary due to a defective delivery, the supplier shall bear the arising costs. In urgent cases, we shall be entitled to remedy the detected defects at the supplier's expense.

XII. Manufacturing Inspections, Technical Acceptance

1. We reserve the right to inspect the quality of the material used, the correctness of measures and quantities and other quality properties of the manufactured parts and the compliance with other provisions of the purchase order in the supplier's factory or in the factory of its pre-suppliers, during production or prior to the delivery.
2. If we have reserved the right of a technical acceptance of the item of delivery in the supplier's factory to be performed by us or a third party appointed by us, we or the third party appointed by us shall be informed, in writing, of the readiness for acceptance in due time with a reasonable period. Any acceptance costs arising for the supplier shall be borne by them.

3. The manufacturing inspections and/or the technical acceptance will not release the supplier of their obligations of performance and/or warranty.

XIII. Product Liability

1. If damage is caused by a defect of the supplier's product, the supplier shall be obligated to release us, at our first request, from the claims for damages asserted by third parties.
2. In this matter, the supplier shall also be obligated to reimburse any expenses arising from or in connection with a recall performed by us.
3. The supplier undertakes to take out an obligatory product liability insurance with an insured sum of a flat rate of EUR 5 million per event of personal injury/property damage; if we are entitled to further claims for damages, such shall remain unaffected.

XIV. Property Rights

The supplier shall be responsible that no patents or property rights of third parties will be infringed by the delivery or use of the ordered goods. The supplier shall indemnify us, at our first request, of any claims asserted by owners of the property rights, in full, and shall be obligated to provide us with any type of assistance in the defence against third parties claims and to bear all costs arising therefrom. This shall also apply to deliveries made by third parties to the supplier which the supplier passes on to us.

XV. Data Protection

In accordance with the *BDSG* [German Data Protection Act], we shall be entitled to store, transfer, change and delete personal data of the supplier to fulfil our business purposes and objectives. The supplier is hereby informed of the initial storage of its personal data.

XVI. General Provisions

1. The terms and conditions above shall apply to deliveries and services alike, even if not expressly agreed in each individual case.
2. The laws of the Federal Republic of Germany shall apply to all legal relations arising from or in connection with our orders.
3. The place of fulfilment and – if the supplier is a merchant - the place of jurisdiction shall be 78112 St. Georgen, even for suits filed for bills of exchange. We shall also be entitled to sue the supplier at their general place of jurisdiction.
4. If individual provisions of these terms and conditions or of the delivery contract are or become ineffective, the validity of the other provisions shall remain unaffected. The ineffective provisions shall be reinterpreted in order to achieve the legal and economic purpose intended by them. The same shall apply if a contractual loophole in need of supplementation arises during the performance of the contract. The contractual parties undertake to immediately supplement the ineffective provisions by legally effective agreements or to close the loophole.