

Otto Haas KG

Nuremberg/Germany

General Purchasing Conditions

Effective: 01.03.2007

I. General characteristics and scope

1. Our Purchasing Conditions apply exclusively. We do not recognise the purchasing conditions of the Vendor which are contrary to or deviate from our own unless we have expressly approved the effectiveness of such in writing. Our Purchasing Conditions likewise apply even if we have accepted deliveries from Vendors without reservation and are aware that the conditions of the Vendor are contrary to or deviate from our conditions.
2. All agreements related to the execution of this present contract between the Vendor and our company shall be included in this contract in writing.
3. Our Purchasing Conditions only apply to businesses in accordance with § 310 Para. 1 of the Civil Code (BGB).
4. Amendments and additions to the order are not effective unless we confirm such in writing.

II. Delivery and transfer of risk

The place of fulfilment for all deliveries and services is the place of receipt determined by our company. Risk is transferred upon handover of goods or acceptance of the service. Part deliveries require our express permission. Delivery notes designating the order data, precise descriptions and article number of goods shall be enclosed with shipment. The delivery notes may not state any prices or terms of delivery.

III. Delivery date

1. The agreed dates of delivery or receipt are binding and must be precisely complied with. With respect thereto, receipt at our company or at the designated place of receipt is decisive.
2. If the Vendor, for whatever reason, cannot comply with the deadline or date, it shall immediately notify our company. We are then entitled to grant a reasonable period of grace for the Vendor to deliver the goods or provide the service.
3. In case of default of delivery, we accrue the statutory claims. In particular, if the reasonable period of grace agreed expires fruitlessly, we are entitled to claim damages instead of the service and withdraw from the contract. If we claim damages, the Vendor may demonstrate that it is not liable for the infringement of obligation.
4. In case of default of delivery, we are entitled to demand flat-rate default damages of 1% of the shipment value for each finished week, although not more than 10% thereof, further-going statutory claims (withdrawal or damages instead of performance) are reserved. The Vendor may demonstrate that there was no or a significantly lower loss as a result of the default.

IV. Prices, invoices and payment

1. The prices stated in the Vendor's offer or in our orders are fixed prices and apply including packaging and delivery to our Nuremberg works or to the agreed place of performance free of charge. The price shall include value added tax at the prevailing rate if the registered office of the Vendor is located in the Federal Republic of Germany.
2. Price increases, for whatever reason, shall not be recognised unless confirmed by us in writing.
3. Invoices shall be issued in two copies and shall state our order data. Copies shall be marked as such. They may not be attached to the shipments.
4. Payments shall be made at our discretion by the end of the month if the date of invoice or the date of goods receipt (if this is later than the invoice date) is between the 1st and 15th day of the month; by the 15th

of the following month if the date of invoice or the date of goods receipt is from the 16th day of the month at 3% discount, or purely net at the latest by the 15th of the second month following the date of invoice or the date of goods receipt.

5. We accrue the rights of offsetting and retention in the scope foreseen by law.

V. Packaging

In essence, we reject deliveries on single-use pallets. In case of failure to comply with this, the Vendor shall bear the costs of disposal. The Vendor is liable for the recyclability of materials and return of used packaging in accordance with the packaging regulations prescribed by law.

VI. Inspection for defects, liability for defects

1. We are obliged to inspect the goods for any deviations in quality or quantity within a reasonable period of time. Complaints are made on time if they are received by the Vendor within five working days of the receipt of goods, or in case of hidden defects, of their discovery.
2. We accrue the statutory warranty rights in their full scope. In all cases, we may demand, at our discretion, that defects are either rectified or that the Vendor makes a new delivery. We expressly reserve the right to claim damages, in particular, to claim damages instead of performance.
3. If default is probable or in particularly urgent cases, we are entitled to rectify defects ourselves at the Vendor's expense. If we rectify defects ourselves, the price is then at least reduced by the costs of rectifying the defects.
4. The warranty period is two years from delivery. If the object of performance is a structure or materials or components that are usually used in structures, and these materials or components caused the defect, the warranty period is five years from delivery.
5. If the Vendor or a third party has granted a warranty (quality warranty or warranty of non-deterioration), our claims from a guarantee are retained in the full scope.
6. The term of the warranty period is frozen for the time we send our complaint until we receive a faultless delivery or service, or until rejection is declared in accordance with § 203 P. 1 BGB. Rejections of warranty in the sense of § 203 P. 1 BGB shall be made in writing.
7. We are entitled to return defective goods or goods that have not been ordered at the cost and risk of the Vendor and to charge our costs.
8. We levy a flat-rate charge of 5 % of the price of defective goods, although at least EUR 25.00 and at most EUR 250.00 per return shipment for processing complaints and returning defective goods. We reserve the right to demonstrate higher expenses. The Vendor is entitled to demonstrate lower or no expenses.
9. The inspection of incoming goods performed by us is decisive for the use or processing of the acquired goods.

VII. Product liability – Release – Indemnity insurance – Expiry by limitation of time

1. If the Vendor is liable for product damage, it is obliged to release us from any third party claims to damages at first notice, insofar as the cause is within its scope of responsibility and organisation and it is liable in the external relationship.
2. Within the scope of its liability pursuant to Para. 1 above, the Vendor is also obliged to reimburse any expenses arising from or in connection with our recall action in accordance with §§ 683, 670 BGB and with §§ 830, 840, 426 BGB. The same applies if the recall action is executed by our buyer. We shall inform the Vendor of the recall measures to be executed – insofar as possible and reasonable - and

give it the opportunity to present its case. This does not affect any other statutory claims.

3. The Vendor is obliged to maintain indemnity insurance to cover personal and material damages corresponding to the risk. If we accrue further-going claims to damages, these remain unaffected.
4. Claims to damages, regardless of their legal basis, expire by limitation of time in accordance with the law.

VIII. Protected rights – rights of use

1. The Vendor undertakes that its deliveries do not violate any rights of third parties and it shall exempt us from any claims third party claims. Exemption by Vendor refers to all costs and losses incurred by us arising from or in connection with use by a third party.
2. Exclusive rights of use and protected rights are hereby transferred to us for diagrams, drawings, product specifications and data sheets, provided that these have been sent or created on our behalf. We are alone and exclusively entitled to use and exploit these results. The Vendor may not use these items without our written consent beyond the scope of this assignment. The Vendor is not entitled to use these objects beyond the scope of the order without our written permission. The Vendor is entitled to revocable safekeeping. The Vendor shall identify the items so that our right of ownership is also recognisable by third parties. The Vendor is not entitled for any right of retention with regard to these items.

IX. Title reservation – Disposition – Tools – Confidentiality

1. The Vendor's reservation of title shall not become part of the contract unless the reservation of title expires upon payment of the agreed price for the reserved goods and we are duly authorised for resale and further processing in normal business transactions. No further-going reservation of title by the Vendor shall be accepted.
2. If we place components at the Vendor's disposal, we reserve their title. Processing or deformation by the Vendor may only be performed on our behalf. If our reserved goods are processed together with other items not owned by us, we acquire joint ownership of the new item in the ratio of the value of our product to that of the other processed items at the time of processing.
3. If the item provided by us is inseparably combined with other items not owned by us, we acquire joint ownership of the new item in the ratio of the value of the reserved item to the value of the combined items at the time of combination. If goods are combined in such a way that the Vendor's item is deemed to be the major item, it is agreed that the Vendor shall grant us a proportionate share of ownership; the Vendor shall safeguard the exclusive or joint ownership for our company.
4. We reserve the title to tools manufactured on our behalf. The Vendor is obliged to deploy the tools exclusively for manufacturing products ordered by us.
5. The Vendor is obliged, at its own expense, to insure the tools owned by us against fire, mains water and theft at their as-new value. It is obliged to perform any maintenance and inspection work required in good time and at own expense. It shall notify us of any defects without delay. If it culpably neglects to do so, claims to damages are unaffected.
6. The Vendor is obliged to keep all samples, drawings, calculations and other documents and information strictly confidential. They may not be disclosed to third parties without our express consent. The obligation of confidentiality continues to exist after this contract has been executed. It expires if and insofar as the manufacturing expertise contained in the supplied diagrams, drawings, calculations and other documents become generally known.

X. Withdrawal due to jeopardy of contract

If the Vendor's creditworthiness or ability to deliver becomes impaired after conclusion of this contract to the extent that we deem that contractual performance of the Vendor's obligations is in jeopardy, we are entitled to demand an appropriate security for performance of its contractual obligations. If the Vendor does not conform thereto within a reasonable

period of time, we are entitled to withdraw from the contract in part or in full without loss.

XI. Declarations on origin

If the Vendor makes a declaration with relation to the origin of the goods sold, the following applies:

1. The Vendor is obliged to enable customs officers to inspect the proof of origin and to issue all the necessary declarations and information and certifications required by the EEC Decree No. 1207 / 2001 at its own expense.
2. The Vendor is obliged to reimburse any losses incurred from the fact that the competent authority does not acknowledge the declared origin due to deficient certificates or not having the opportunity to inspect the goods. However, this liability does not apply unless the Vendor is guilty of culpable conduct or in the absence of an assured characteristic or guarantee.
3. In case of deliveries and services from countries in the European Union outside Germany, the EU value-added tax ID number shall be stated.

XII. Data protection

We are entitled to store and process all the necessary data concerning persons or materials in observance of the Federal Data Protection Act, we shall not provide any specific notification. The Vendor is obliged to process data concerning our company pursuant to the FDPA:

XIII. Place of jurisdiction and fulfilment, applicable law

1. Unless stated otherwise in the order, the place of fulfilment is our registered office.
2. If the Vendor is a trader according to the Commercial Code, our registered office is the place of jurisdiction, unless another place of jurisdiction is prescribed by overriding law. However, we may take action against the Vendor at the court responsible for the Vendor's registered office.
3. The law of the Federal Republic of Germany shall prevail. The Law on International Sale of Goods does not apply.

XIV. Continued applicability in case of partial invalidity

Should a provision in these conditions prove to be void for any reason, this shall not affect the validity of the remaining provisions. We are entitled to replace the respective provisions - if legally practicable - with a valid provision which comes as close as possible to the purpose of the original one.

Any of our earlier purchasing conditions are hereby annulled.