



of the SPÄH group

Karl Späh GmbH & Co. KG
Industriestraße 4 - 12
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GERMANY

Preliminary statement

We order on our terms and conditions of purchase. If you receive enquiries/orders, our terms and conditions of purchase sent to you before initial order will expressly be part of the contents of contract.

1. General - scope

(1) Our terms and conditions of purchase shall be valid exclusively; we do not acknowledge supplier's conditions which are to the contrary of or diverging from our terms and conditions of purchase unless we agreed to their validity in writing expressly. Our terms and conditions of purchase shall also apply if we accept the supplier's delivery without reservation despite being aware of supplier's conditions to the contrary of or diverging from our terms and conditions of purchase.

(2) Any agreements reached between us and the supplier for the purpose of performance of this contract shall be set down in this contract in writing.

2. Offer – order documents

(1) The supplier shall be obliged to accept our order within a period of time of one week. The contract shall only be brought about by a written confirmation of the order by the supplier.

(2) We reserve the title and copyrights to pictures, drawings, calculations and other documents; they may not be disclosed to third parties without our express written consent. They shall be used for the manufacture based on our order only; they shall be returned to us without being asked after handling of the order. They shall be kept secret from third parties; in this respect the regulation of item 10. Confidentiality shall apply additionally.

(3) Our enquiry number or order number as well as your supplier number shall be stated on all offer documents and order documents or their subsequent documents (delivery notes, invoices, etc.).
The supplier shall be responsible for all consequences resulting from non-fulfilment of this obligation unless he proves that he is not responsible for them.

3. Prices – terms and conditions of payment

(1) The price stated in the order shall be binding. If nothing else is agreed in writing the price delivery "free domicile" including packaging is plus statutory VAT valid at the time of delivery. According to the regulation on packaging (*Verpack V*) we reserve the right to return the packaging to the supplier.

(2) We shall pay the purchase price calculated from delivery and receipt of invoice as follows unless otherwise agreed in writing:

Invoices from 1st - 15th day of the month on the 30th day of the month with 3% discount,
Invoices from 16th – 31st day of the month on the 15th day of the following month with 3% discount,
or
Invoices from 1st - 15th day of the month on the 15th day of the following month net,
Invoices from 16th – 31st day of the month on the 30th day of the following month net.

(3) We shall be entitled to the right to set off and to withholding rights to the extent of the law.

4. Delivery time – deliveries

(1) Deliveries to us shall be made free domicile including packaging, i.e. transportation costs and packaging are paid by us only if agreed separately.

(2) The delivery time stated in the order shall be binding.

(3) The supplier shall be obliged to add the respective delivery notes to the deliveries. The order number of SPÄH and the supplier number must be stated on the delivery notes. If these requirements are not met, SPÄH must not be liable for the delay in handling resulting from it.

(4) The supplier shall be obliged to inform us in writing immediately if circumstances occur or become recognizable to him as a result of which the delivery time agreed may not be observed.

(5) In case of delay in delivery we shall be entitled to enforce our damage caused by delay according to the following provisions.

(5.1) The supplier shall be obliged to make up for the damage incurred to us and for the proved total damage caused by delay. This shall also apply to lost profit and damage resulting from interruption of business.

(5.2) In case of slight negligence damages shall be limited to additional freight costs, refitting costs and additional expenditure for purchases of goods in replacement.

(6) The receipt of goods shall take place: from Monday to Thursday, from 7.00 a.m. to 12.15 p.m., from 1.00 p.m. to 3.30 p.m. / on Friday from 7.00 a.m. to 11.00 a.m.

5. Detection of defects – liability for defects

(1) The risk to the delivery item shall pass upon delivery to the receiving place named by us.

(2) The transportation insurance shall be borne by the supplier unless otherwise expressly agreed in writing.

(3) The origin of newly received delivery items or the change of origin shall be notified to the customer immediately and without being asked. The supplier shall be liable for all disadvantages occurring to the customer due to an improper or late declaration of the supplier. Where required the supplier must prove his information about the origin of goods using an information sheet confirmed by his customs office.

(4) We shall be obliged to check the goods for possible deviations from quality and quantity within a reasonable period of time; the complaint shall be in due time if it is received by the supplier within a period of time of 14 working days from the date of receipt of goods or from the date of detection in the event of latent defects.

(5) We shall be entitled to statutory defect claims. In any case we shall be entitled to demand removal of defects or delivery of a new item as we wish. The right to damages, in particular the right to damages instead of performance, shall remain reserved expressly. We charge a complaint handling fee to the amount of Euro 50 per complaint.

(6) In case of imminent danger or special urgency we shall be entitled to remove the defects by ourselves at the expense of the supplier after prior written notification.



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(7) The limitation period shall be 24 months from the date of receipt of goods.

6. Product liability

(1) If the supplier is responsible for damage to products, he shall be obliged to release us from claims for damages by third parties upon first request.

(2) Within the scope of his liability for cases of damage in terms of paragraph (1) the supplier shall also be obliged to reimburse possible expenses according to sections 683, 670 *BGB* [German Civil Code] or according to section 830, 840, 426 *BGB* resulting from or in connection with a recall carried out by us. If possible and reasonable, we will inform the supplier about the contents and scope of recalls to be carried out and give him the opportunity to make comments. Other statutory claims shall remain unaffected.

(3) The supplier shall be obliged to hold a product liability insurance to sufficient extent. If we are entitled to further claims for damages, they shall remain unaffected. This shall apply to all products purchased by us.

7. Proprietary rights

(1) The supplier shall be answerable for the fact that third party rights are not infringed in connection with his delivery.

(2) If a third party claims on us due to this, the supplier shall be obliged to release us from these claims upon first written request. We shall not be entitled to reach any agreements, in particular to make a compromise, with the third party without the supplier's consent.

(3) The supplier's obligation to release shall refer to all applications necessarily arising to us from or in connection with demands by a third party.

(4) The limitation period shall be ten years from the date of conclusion of contract.

8. Reservation of title – provision

(1) If we provide the supplier with parts, we reserve the title to them. The processing or transformation by the supplier shall be made for us. If our reserved goods are processed with other objects not belonging to us, we shall acquire the joint ownership of the new object at the rate of the value of our object (purchase price plus VAT) to the other processed objects at the time of processing.

(2) If the object provided by us is inextricably mixed with other objects not belonging to us, we shall acquire the joint ownership of the new object at the rate of the value of the reserved object (purchase price plus VAT) to the other mixed objects at the time of mixing. If the mixing is made in such a way that the object of the supplier is regarded as main object, it shall be agreed that the supplier transfers joint ownership to us proportionally. The supplier shall hold sole ownership or joint ownership for us.

9. Left manufacturing equipment

(1) Manufacturing equipment provided by us or manufactured for us (pictures, drawings, models, tools, samples, templates, work documents and such like) shall be used for the preparation of offers and performance of our orders only. They may not be made

available to third parties without our written consent and must be stored free of charge and properly until cancelled, however no longer than 3 years after the last use, and must be returned to us afterwards. They must be insured against destruction or loss by the contractor. Where required the usability and conservation of value must be ensured by proper maintenance.

(2) The acceptance or taking over of manufacturing equipment shall not mean that we waive warranty claims or claims for damages or assume liability for deviations, faults and infringements of patents, licences and other rights of third parties.

(3) The supplier shall keep his own manufacturing equipment ready for use for replacement needs from the date of last series production for a period of 10 years. He must supply us using this manufacturing equipment at our request.

10. Confidentiality

(1) All enquiries, orders, works, deliveries and other correspondence as well as objects provided for the preparation of offers and performance shall be considered as business secret and treated confidentially. This shall also apply to anonymous distribution. The subcontractors must be bound correspondingly.

(2) The supplier may promote with the business connection with prior written consent only.

11. Declarations concerning the originating status

In the event that the supplier makes declarations concerning the originating status of the delivered goods, the supplier undertakes to make the examination of the proof of origin by the customs administration possible, to give the necessary information and to provide the required confirmations. If the declared origin is not acknowledged by the appropriate authority due to the supplier's negligent conduct, the supplier shall be liable for damage resulting from it.

12. Place of performance and place of jurisdiction

(1) The place of performance for the supplier's obligation to deliver shall be Scheer, Germany.

(2) The place of jurisdiction for all disputes resulting from the business relationship between the contracting parties shall be Scheer, Germany.

(3) The law of the Federal Republic of Germany shall apply exclusively. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

13. Final provisions

(1) The ineffectiveness of single provisions shall not affect the effectiveness of the remaining provisions. The ineffective provision shall also be considered as replaced by an economically equivalent provision.

(2) All declarations affecting the effectiveness of the contractual relationship must be made in writing. The modification of the requirement of written form itself must be made in writing.