



General Terms and Conditions of Purchasing -AEB – version: 03/2010
of
SIAG Schaaf Industrie AG
and its affiliated enterprises within the meaning of § 15 German Shares Act

§ 1 General – Scope of application

- (1) Our terms and conditions of purchase shall apply exclusively; we do not acknowledge contradictory terms and conditions of Supplier or those deviating from our terms unless we have expressly approved their validity in writing. Our terms and conditions of purchase shall also apply if we accept Supplier's delivery without reservation or pay for it despite knowledge of contradictory terms and conditions or ones deviating from our terms.
- (2) All agreements made between us and Supplier for the purpose of performance of the present contract shall be recorded in the present agreement in writing. Transmission by telefax shall suffice the requirement of written form.
- (3) Our terms and conditions of purchase shall only apply towards businessmen pursuant to § 310 sub-section 1 German Civil Code.
- (4) Our terms and conditions of purchase shall also apply to all future deliveries and services to us until new terms and conditions of purchase apply.

§ 2 Quotation - conclusion of contract

- (1) Supplier shall be obliged to accept our order without delay, i.e. without culpable delay, by returning a duplicate of the order as an order confirmation provided with company stamp, signature and date.
- (2) We reserve ownership and copyrights to illustrations, diagrams, calculations and other documents; they may not be made accessible to third parties without our express written approval. They shall exclusively be used for production on the basis of our order; following handling of the order, they shall be returned to us without request. They shall be kept secret towards third parties, to which extent the regulation of § 9 sub-section (5) shall apply as a supplement.
- (3) Samples, estimates and quotations of Supplier shall be free of charge for us, unless something to the contrary has been expressly agreed. Estimates shall be binding.

§ 3 Prices – payment terms

- (1) Agreed prices shall be understood exclusive of the statutory value added tax.
- (2) The price stated in the order shall be binding as a fixed price. To the extent that no specific written agreements have been made, the prices shall be understood DDP delivery address (INCOTERMS 2000), inclusive of packaging and other freight, customs and demurrage costs. Returning of packaging shall require specific agreement.
- (3) We can only process invoices if, according to the requirements in our order, they state the order number stated there, the date of the order, the delivery note number, the SIAG identification number, the country of origin and, if applicable, the customs tariff number; Supplier shall be responsible for all consequences arising from a failure to comply with this obligation to the extent that it does not prove that it is not answerable for them.
- (4) To the extent that nothing to the contrary has been agreed in writing, we shall pay the purchase price with 3% discount within 14 days starting from delivery and receipt of the invoice, with 2% discount within 30 days or net within 60 days of receipt of the invoice.
- (5) Rights to offset and retention shall accrue to us to the statutory extent.
- (6) Assignment of Supplier's claims shall require Buyer's written approval. Section 9 of these terms and § 354a German Commercial Code shall remain unaffected. Supplier shall only be entitled to offset against counterclaims to the extent that the counterclaim has been acknowledged by us or is legally effective.

§ 4 Delivery period

- (1) The delivery dates and delivery periods stated in the order shall be binding.
- (2) Supplier shall be obliged to notify our purchasing department in writing without delay if circumstances occur or are recognisable for it from which it can be seen that the required delivery period cannot be complied with.
- (3) In the event of arrears in delivery, we shall be entitled to demand liquidated arrears damages to the amount of 1 % of the delivery value per completed week, albeit no more than 10% of the total value of the order. Further-reaching statutory claims (withdrawal and damages in lieu of performance) shall remain reserved. If we demand damages, Supplier shall have the right to prove to us that no or considerably lower damages have been incurred as a result of the arrears.

§ 5 Passage of risk – documents – quantities

- (1) To the extent that nothing to the contrary has been agreed in writing, delivery shall be customs paid according to DDP (INCOTERMS 2000) to the destination stated in the order.
- (2) Supplier shall be obliged to state our order and identification number precisely on all dispatch papers and delivery notes; if it does not do so, the delays in processing resulting therefrom shall not be put down to us. We reserve the right to make use of our right of rejection of acceptance in the event of non-compliance and to charge you for all the costs resulting therefrom.
- (3) We shall only accept the quantities or numbers ordered by us. Excess or short deliveries shall only be admissible following agreement with us. In the event of excess deliveries, we reserve the right to return the excess delivery at Supplier's expense and risk.
- (4) To the extent that the weights in diagrams are not used, the figures determined by us in the control of incoming goods shall be decisive for numbers, quantities and dimensions. Supplier shall be responsible for rendering counterproof.



§ 6 Examination of defects - liability for defects

- (1) We shall be obliged to examine the commodities within a suitable period for all and any deviations in quality and quantity; notification shall be in time to the extent that it reaches Supplier within a period of 5 working days starting from receipt of goods or discovery of hidden defects.
- (2) Statutory claims from defects shall completely accrue to us; in any case, we shall be entitled to demand remedying of the defect or delivery of a new object from Supplier at our choice. The right to damages, in particular that of damages in lieu of performance, shall remain expressly reserved.
- (3) We shall be entitled to carry out defect remedying ourselves at Supplier's expense if the latter is in arrears.
- (4) Barring by limitation shall be after 36 months starting from passage of risk to the extent that the mandatory provisions of §§ 478, 479 German Civil Code do not apply.
- (5) Liability for defects for building services shall be based on the Contract Procedure for the Building Trade as amended at the time.

§ 7 Product liability – indemnification – third-party liability insurance protection

- (1) To the extent that Supplier is responsible for product damage, it shall be obliged to indemnify us against third-party claims to damage at first request to the extent that the cause can be found in its area of control and organisation and it is liable itself in the external relationship.
- (2) Within the framework of its liability within the meaning of sub-section (1), Supplier shall also be obliged to reimburse all and any expenditure pursuant to §§ 683, 670 German Civil Code or according to §§ 830, 840, 426 German Civil Code resulting from or in connection with a recall action carried out by us. We shall inform Supplier about the content and scope of the recall measures to be taken - to the extent possible and reasonable - and give it the opportunity of commenting. Other statutory claims shall remain unaffected.
- (3) Supplier engages to maintain a product liability insurance with a sum insured of € 10 mill. per personal damage/property damage - lump-sum; if further-reaching claims to damages accrue to us, they shall remain unaffected.

§ 8 Protective rights

- (1) Supplier guarantees that no rights of third parties are impinged within the Federal Republic of Germany in connection with its delivery.
- (2) If claims are made against us by third parties for this reason, Supplier shall be obliged to indemnify us against these claims upon first written request; we shall not be entitled to make any kind of agreements with the third party without Supplier's approval, in particular not to conclude a settlement.
- (3) Supplier's duty to indemnification shall relate to all expenditure necessarily incurred by us from or in connection with claims being made by a third party.
- (4) The period for barring by limitation shall be 36 months, starting from the passage of risk.

§ 9 Retention of title – provision – tools – secrecy

- (1) To the extent that we provide parts to Supplier, we reserve title thereto. Processing or re-shaping by Supplier shall be done on our behalf. If our conditional commodities are processed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of our object (purchasing price plus VAT) to the other processed objects at the time of the processing.
- (2) If the object provided by us is inseparably blended with other objects not belonging to us, we shall acquire co-ownership to the new object in the ratio of the value of the conditional commodity (purchasing price plus VAT) to the other blended objects at the time of the processing. If blending is done in such a way that Supplier's object is to be regarded as the main object, it shall be deemed agreed that Supplier assigns co-ownership to us pro rata; Supplier shall keep the sole or co-ownership on our behalf.
- (3) We reserve title to tools; Supplier shall further be obliged to use the tools exclusively for the production of commodities ordered by us. Supplier shall be obliged to insure the tools belonging to us against fire, water and theft damage at its own expense at the new value. At the same time, Supplier here and now assigns all claims to reimbursement from said insurance to us; we hereby accept the assignment. Supplier shall be obliged to carry out all and any maintenance and inspection work becoming necessary on our tools as well as all repair and upkeep work in good time at its own expense. It shall notify us without delay of all and any disturbances; if it culpably fails to do so, claims to damages shall remain unaffected.
- (4) To the extent that the securing rights accruing to us pursuant to sub-section (1) and/or sub-section (2) exceed the purchase price of all our conditional commodities not yet paid by more than 10%, we shall be obliged to release the securing rights at our choice upon request by Supplier.
- (5) Supplier shall be obliged to keep all illustrations, diagrams, calculations and other documents and information received strictly secret. They may only be disclosed to third parties with our express approval. The confidentiality duty shall also survive the handling of the present contract; it shall expire if and insofar as the production knowledge contained in the illustrations, diagrams, calculations and other documents provided has become public domain.

§ 10 Court of jurisdiction - applicable law

- (1) To the extent that Supplier is a merchant, Dernbach / Westerwald shall be the place of jurisdiction; we shall however be entitled to sue Supplier at the court competent for its place of residence.
- (2) The contract shall exclusively be governed by the law of the Federal Republic of Germany, ruling out UN purchase law (CISG).