

Purchasing conditions of

Schössmetall GmbH & Co.KG

Our purchasing conditions are to be applied exclusively; we do not recognize contradictory or deviating conditions of the supplier, unless there is express written approval on our part. Our purchasing conditions also apply if we accept the delivery without reservation although being aware of contradictory or deviating conditions of the supplier. Our purchasing conditions will also apply to future business with the supplier.

The following purchasing conditions, however, only apply in addition to the existing framework agreements which are made with a supplier. This applies in particular to the quality assurance agreements.

- 1. Orders.** Deliveries for which no written orders have been received will not be recognized. We do not confirm orders unless a change of quantity, price or delivery date is necessary. We reserve the right to change this condition.
- 2. Obligation to maintain secrecy.** All documents which are placed at the disposal of the supplier, including drawings, drafts as well as samples, are our exclusive property. The supplier is obliged to refrain from placing these documents at the disposal of a third party, to only use the documents and samples for the completion of an order, not to duplicate the documents, to treat and store the documents and samples carefully and to return them completely upon completion of the order. In particular, the supplier will also maintain the secrecy of the manufacturing processes which he learned in connection with the order after the order has been completed and will not use the knowledge gained for his own manufacturing or for supplies to competitors. We reserve the rights to all new features that stem from our company, particularly in the case of the issue of a patent or utility-model patent.
Products that are manufactured according to our own documents, such as drawings, models and the like, or that are made in line with our confidential data must not be used by the supplier, offered to or passed on to a third party.
- 3. Passage of risk and reservation of ownership.** Any risk until the goods arrive at the final destination determined by us is borne in all cases by the supplier. The passage of risk to us generally takes place when the goods are transferred to us at the point of reception defined by Würth. Upon delivery, the goods become our property. We do not accept any reservation of ownership.
- 4. Pricing.** Agreements concerning packaging/packing and labeling are to be made in writing within the framework of the purchasing contract. Otherwise, packaging and packing costs will be charged to the supplier.
- 5. Partial, incomplete and excess deliveries.** Partial deliveries are not a fulfillment of the order, unless approved by us. In the case of incomplete deliveries with a maximum of 5% incomplete, the outstanding items are considered to be canceled. We reserve the right to return excess deliveries at the expense of the supplier.
- 6. Delivery date.** The supplier is obliged to maintain the agreed delivery date. As soon as delays are foreseen by the supplier, he is obliged to inform us and to provide us with the reasons for the delay and with the probable extent of the delay. If the supplier - for whatever reason - does not adhere to the deadlines agreed upon, we have the right to withdraw from the contract without prejudice to any legal claims, to procure replacements for the delivery from a third party and/or to claim damages for failure of performance. There is no need to allot a reasonable period within which to fulfill any commitments under penalty of refusal. Any additional expenses incurred through a delay in delivery or performance must be paid by the supplier. Acceptance of the delayed delivery or performance does not entail abandonment of claims for compensation. In the case of repeated delays, we are also permitted to withdraw from the contract even if the delay was due to circumstances beyond the supplier's control.
In the case of a delay in delivery on the part of the supplier, we are entitled to demand 0.5% of the value of the delivery for each week or part thereof after the missed deadline but at most 5% of the value of the delivery as a contract penalty.

We can do this until the final account has been settled if we did not expressly reserve the right to do so when the delayed shipment was received. We reserve the right to make claims for further damages. Deliveries before the agreed times require our consent. We reserve the right to return premature deliveries or to set the validity date of the respective invoice.

- 7. Form of delivery.** Delivery must be made exclusively according to our separate transport and packaging regulations for suppliers. The transport and packaging regulations valid at the time are an integral part of our Purchasing Conditions.
- 8. Payment.** As long as no other agreement exists, payments are to be made on the 25th day after the month of delivery minus 4 % discount or 90 days net.
- 9. Origin of goods and preferences.** If a valid long-term supplier declaration exists regarding the origin of the commodity with you, then you supply in principle goods of EU origin. Should this provision not be applicable to goods ordered from non-German suppliers in individual cases, you are, according to your declaration, obliged to clearly mark such items on your delivery note and on your invoice (in the case of non-German suppliers) with "no originating products". In the case of noncompliance with this provision, the supplier is liable for any potential loss of Würth GmbH & Co. KG resulting from this, including subsequent claims for foreign import duties and taxes, penalties, etc.
Decoding of our marks of origin: D =third country /E =EU /F =EFTA.
- 10. Warranty and compensation for damages.** The warranty period starts when the goods are received. This point in time is also important if the goods have already been passed to our charge or have already become our property or if they have been passed on to a forwarding agent, carrier or another institution for transportation. For the obligatory checking and lodging of complaints, we are granted a deadline of two weeks from the day the goods are received. The supplier or contractor is liable for any defects in goods or services for the duration of one year after their being put into operation or after the use of the goods but at most two years after the passage of risk or if necessary after the elimination of defects about which complaints were made even without prior notice. The extent of liability depends on the respective legal regulations.
Should a more comprehensive overall inspection instead of the usual inspection of incoming shipments be necessary owing to defective deliveries, the expenses incurred will be charged to the supplier. In urgent cases, we reserve the right to correct the faults ourselves or to have them corrected by a third party, charging the costs to the supplier. If the attempt at correcting the defect fails we have the right to withdraw from the contract (cancellation of contract) or alternatively to reduce the counterperformance (reduction of price) or damage claim.
- 11. Product liability.** The supplier exempts the ordering party with regard to the products subject matter of the contract from all claims resulting from the product liability as well as according to the product liability law and therefore takes over the responsibility for possible shortcomings. This does not apply if there is the evidence that the possible damage was caused by wrong handling by the ordering party.
- 12. Use of our brand name.** If goods are returned or not accepted by us and if these goods are branded Schössmetall products, they must not be sold to a third party. In any case of contravention we apply a contract penalty of twice the value of the goods, but of at least 2,500.00 €.
- 13. Force majeure.** Strikes, lockouts, breakdowns, cutting back of operations, official orders and other incidents beyond our control that result in reduced consumption are considered force majeure and permit us to withdraw from the contract unconditionally.
- 14. Industrial property rights.** The supplier indemnifies us and our customers against claims by a third party resulting from violations of copyright, trademarks and patents unless the item delivered was designed by us.
- 15. Language of contract, applicable law, place of execution and jurisdiction.** The language of the contract is German. This business relationship and all the legal relations between the supplier and Schössmetall are subject to the laws of the Federal Republic of Germany. The exclusive place of the execution for delivery and payment is the place of delivery according to the corresponding order. The place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is Laufen / OBB. If the supplier is a full

merchant, a legal entity under public law or a public-law special fund. We are also entitled to take legal action at the place of registration of the supplier.

16. **Proviso clause.** In the case of one of the agreed on clauses becoming invalid, either partly or in full, the other purchasing

conditions remain unaffected. The parties agree that such an invalid clause has to be replaced by a valid clause which is as similar as possible to the invalid one.

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Handelsregister Amtsgericht Traunstein HRA 7319, Management: Schössmetall Verwaltungs-GmbH, Place of execution and jurisdiction: Laufen / OBB.