

General Terms & Conditions of Purchase

I. General information, applicability

1. The following General Terms & Conditions of Purchase of the NEUHÄUSER Group apply exclusively and solely, provided nothing different has been agreed in an exceptional case. We do not accept the Contractor's Terms & Conditions of Payment and Delivery unless we would have consented in writing to their applicability in an exceptional case.

2. The General Terms & Conditions of Purchase of the NEUHÄUSER Group also apply exclusively and solely

a) if we accept the Contractor's performances without reservation, even though the Contractor refers to the applicability of his Terms & Conditions of Payment and Delivery, or

b) if we do not reject them at a later point in time in the business relationship, or

c) if we do not explicitly refer again to the sole applicability of these General Terms & Conditions of Purchase of the NEUHÄUSER Group in the course of further orders following the first reference.

3. Every agreement between us and the Contractor must be in written form. If the General Terms & Conditions of Purchase of the NEUHÄUSER Group require the written form, the text form (e-mail) shall also suffice.

4. Amendments to the General Terms & Conditions of Purchase of the NEUHÄUSER Group or to the respective concluded contract shall be made only by the Purchasing Department of the NEUHÄUSER Group or the management. No other employees of the NEUHÄUSER Group are empowered to make contractual amendments of any kind.

II. Quotes, purchase orders, delivery call-offs

1. The tenderer's quotes shall be non-binding and free of charge for the NEUHÄUSER Group. Provided nothing different has been agreed, the tenderer shall be bound to his quote for a period of eight weeks following receipt by the NEUHÄUSER Group.

2. The tenderer shall have the right to offer alternatives to the performance enquired about. However, he shall expressly mark them as alternative offers and indicate the advantages and disadvantages in comparison with the performance enquired about.

3. Only orders issued in writing and signed by the Purchasing Department or the management of the NEUHÄUSER Group are legally binding. This also applies to amendments to the contract, in particular addenda.

4. The NEUHÄUSER Group as Client sends the Contractor a written and signed purchase order. The Contractor sends a confirmation of order corresponding to our purchase order to the Purchasing Department of the NEUHÄUSER Group without delay and at the latest within five working days. In so doing, the Contractor shall confirm the General Terms & Conditions of Purchase of the NEUHÄUSER Group.

5. Delivery call-offs based on a framework agreement shall be rejected by the Contractor in writing within two working days of their receipt if he cannot implement them in terms of the deadline or quantity. The rejection is to be sent to the Purchasing Department of the NEUHÄUSER Group.

6. Silence on our part shall in no case be regarded as agreement.

III. Property rights, execution of the performance, third-party proprietary rights

1. We retain the ownership of, as well as the copyright to illustrations, drawings, calculations and other documents; no documents may be disclosed to third parties without our express written consent. They shall be used exclusively for the manufacture of our purchase order; they must be kept secret from third parties.

2. The Contractor shall inform us of all export restrictions, goods tariff numbers and export boundary conditions relating to the performance that we are procuring from him, provided that we informed him thereof in advance when requesting a quote because the performances are to be used for orders for our foreign customers.

3. The Contractor guarantees that no third-party rights are violated by his performance and that he is in compliance with all legal and administrative regulations that are to be observed in the execution of the performance and the use of the performance at the place of delivery. The Contractor shall thereby exercise the due diligence of a comprehensively informed specialist company. With regard to the violation of the aforementioned obligations, the Contractor shall indemnify us against third-party claims on first demand.

4. In particular, the Contractor shall at all times indemnify us against third-party claims on account of the violation of one or more property rights caused by the Contractor through his execution of the performance.

IV. Prices

1. The prices contained in our purchase order, provided nothing different has been agreed, fixed prices for the duration of the contract. The prices include any fees for third-party usage or licensing rights. Additional claims of any kind are excluded.

2. If by way of an exception a fixed-price agreement is not possible at the time of conclusion of the contract, the Contracting Parties shall define the contractual price as soon as possible. If the price should be inappropriate from our point of view, we shall have the right to perform a price check. For this purpose the Contractor is obligated to disclose his price calculation related to the order. If he refuses to place the documents necessary for the price check at our disposal, we shall remunerate the price that is appropriate according to our calculation. We shall inform the Contractor of our calculation.

3. The prices are carriage-paid to our works, in-

cluding packaging and all auxiliary costs. The Supplier shall bear the costs incurred if our dispatch regulations are disregarded. We are not obligated to pay for freight in advance.

V. Delivery dates and deadlines

1. The delivery dates/deadlines stipulated in our purchase order are binding. Authoritative for adherence to the delivery dates/deadlines is the delivery of the goods to us or to the delivery location specified by us. If the dates/deadlines are exceeded, we shall have the right to assert claims for compensation for damages on account of delay of the performance.

2. Furthermore, in the case of exceeding the delivery deadline, we shall also have the right to demand compensation of damages instead of the performance or to withdraw from the contract if we have set the Supplier an appropriate grace period for delivery/performance and this has expired fruitlessly.

3. If it becomes apparent that delivery dates/deadlines will be exceeded, the Supplier shall instruct us in writing without delay about the reason and the expected duration. Notwithstanding that, an exceedance of the delivery dates/deadlines triggers the legal consequences of default unless the exceedance is verifiably due to force majeure in the Supplier's area or labour disputes for which he is not at fault.

4. If the delivery dates/deadlines are exceeded due to force majeure or labour disputes for which the Supplier is not at fault, we can either demand that the purchase order be executed at a later date, without the Supplier deriving any claims therefrom, or we can withdraw from or terminate the contract following the fruitless expiry of a grace period of four weeks following the occurrence of the force majeure.

5. Also, in the case of differences of opinion and legal disputes arising therefrom between the Supplier and us, the contractual performances must be continued without interruption and the agreed dates adhered to.

VI. Default of acceptance, default of collaboration, force majeure

1. We shall be neither in default of acceptance nor in default of collaboration if we are hindered by force majeure in accepting the Contractor's performance or in fulfilling a contractual obligation to collaborate in whatever form.

2. Force majeure is in particular war, terror, criminal acts, environmental influences, strikes, lockouts, lack of information or documents or releases from our Clients and thus comparable events that can neither be neither foreseen nor planned by us.

VII. Provisions

1. The Supplier shall be liable to us for the loss of or damage to items that we provide. We must be instructed without delay about a legal or material impediment of such items.

2. The materials provided by us are processed and machined on our behalf and remain our property in the processing and machining stage. If the items are processed together with other items not belonging to us, we gain joint ownership of the newly manufactured item in the ratio of the value of the goods provided by us to the value of all items used in the manufacture as well as the Supplier's expenditure for their processing. To that extent the Supplier shall keep the items for us free of charge. The same applies if our property should perish due to mixing or blending.

VIII. Retention of title

1. Contractor and Client are agreed that ownership of the goods shall pass to us on delivery of the goods to us or to a third party determined by us. We expressly reject any retention of title (simple, extended, expanded processing retention of title, group retention of title) contained in the Supplier's Terms & Conditions of Sale.

2. Likewise, we retain ownership of tools; the Supplier is obligated to use the tools exclusively for manufacturing the goods ordered by us. The Supplier is obligated to insure the tools owned by us at his own expense against fire, water damage and theft, the sum insured being equivalent to their new value. At the same time, the Supplier assigns to us here and now all claims for compensation from this insurance. We hereby accept the assignment. The supplier is obligated to carry out all necessary service and inspection work as well as all maintenance and repair work on our tools promptly and at his own expense. He shall inform us immediately of any faults; if he culpably fails to do so we shall have the right to demand compensation for damages due to a breach of obligation.

IX. Packaging

If packaging of the delivery item should be necessary or usual, the Supplier shall ensure adequate packaging. In the event of a carriage-paid return, the portion of the agreed price for the packaging is to be reimbursed to us.

X. Incoming goods, incoming goods inspections

1. Out Incoming Goods Department is open Monday to Friday from 06.30 to 13.00. Exceptions to this are the statutory public holidays applicable at the location of the Incoming Goods Department. We are not obligated to accept deliveries that arrive outside the above times unless something different has been agreed in writing.

2. The mere acceptance of the goods is not a declaration on our part that we regard the contract as having been fulfilled properly.

3. We are not obligated to accept partial deliveries.

4. If an acceptance has been agreed in the contract, we are not obligated to undertake incoming goods inspections. In all other cases we shall inspect incoming goods for transport damage and notify the Contractor without delay. We shall notify the Contractor of other obvious defects within

10 working days following receipt of the goods. We shall notify the Contractor of concealed defects within 10 working days following their discovery. Notifications of defect issued within these time limits shall be deemed to have been served in time. To that extent the Contractor shall waive the right to claim late notification of defects. The notification of defect shall take the written form.

5. Our obligation to perform an incoming goods inspection does not release the Contractor from his obligation to perform a proper outgoing goods inspection.

6. We shall not be in default of acceptance if we are hindered by force majeure in accepting the goods.

XI. Limitations in the case of material defects, statute of limitations

1. The Contractor guarantees that his contractually owed performance is free from material defects. Apart from the legal regulations, it is in particular free from material defects if it fulfils the contractual specification, has no faults that restrict the contractually stipulated use and complies with the legal and other administrative regulations with regard to occupational health and safety, environmental safety and product safety.

2. Incorrect deliveries or quantity discrepancies are not regarded as material defects.

3. We shall have the following rights in the event of a material defect.

We shall initially request the Contractor to carry out subsequent improvement, setting an appropriate grace period. If the subsequent improvement fails we can rectify the defect ourselves, or have it rectified by third parties, at the Contractor's expense. This also applies in the case of exigent circumstances, where we waive the request to carry out subsequent improvement. Furthermore, according to the legal stipulations, we can reduce the purchase price or withdraw from the purchase and demand the compensation of damages or reimbursement of expenses.

4. The Contractor shall bear all costs associated with the subsequent improvement. These include in particular the costs of removal and installation, travel expenses, material costs and labour costs.

5. Claims arising from agreed guarantees are not affected by the aforementioned rights.

6. The statute of limitations for claims arising from material defects is 24 months, unless it is mandatory to apply the provisions of Articles 478 and 479 BGB (German Civil Code) within the scope of the recourse liability in the sale of consumer goods. The time period commences with the delivery or acceptance of the performance if this was agreed.

7. We shall inform the Contractor in writing of defects that occur within the statute of limitations. On receipt of the notification of defect, the statute of limitations is inhibited until the defect rectification performance has been accepted by us. If the contractual performance cannot be used due to the defect, the inhibition refers to the entire contractual performance, otherwise only to the defect being asserted. If the defect rectification by the Contractor is to be regarded as an acknowledgement that is to be implied in particular in the rectification of major defects, then the statute of limitations is interrupted. In this case the statute of limitations according to Article XI No. 6 shall commence again from the beginning for this defect following its rectification.

XII. Product liability

1. If the Supplier is responsible for damage to a product, he is obligated to indemnify us against third-party claims for compensation to the extent that the cause lies within his domain and organizational area and he is liable himself in relations to the outside world.

2. Within the scope of his liability for damages in the sense of paragraph 1, the Supplier is obligated to reimburse any expenses that we incur due to or in connection with the damage. Other legal claims are not taken into account.

3. The Supplier undertakes to take out and maintain product liability insurance with a sum insured of €10 million – lump sum – per case of personal injury/material damage; if we are entitled to further claims for compensation of damages, these are not affected.

XIII. Rendering of invoices

1. All invoices shall be submitted in triplicate immediately following delivery or performance, but at the latest by the fifth of the month following the month of delivery.

2. In no case may invoices be attached to the deliveries.

3. Invoices not received promptly shall be settled only at the end of the month following the month of receipt of the invoice under unchanged conditions and without payment of interest.

4. The prerequisite for settling an invoice is that the invoice is verifiable. An invoice is verifiable if it contains the contractually stipulated details and satisfies all commercial and legal requirements.

5. If the Contractor, despite our setting of an appropriate grace period, does not render an invoice, we shall have the right to render an invoice on the Contractor's behalf and pay the invoice amount by bank transfer.

Invoices sent on line must be sent exclusively to the audit-compliant e-mail address rechnungseingang@neuhaeuser.com.

XIV. Payment

1. Payment is made subject to orderly fulfilment of the contract and correctness in terms of price and calculation. Our payment does not relieve the Supplier of his duty to rectify material defects.

2. Payment shall be made by a method of our choice within 21 days of receipt of the invoice with 3% discount or by the end of the month following

the month of delivery without deduction.

3. We shall have the right to offset the Supplier's demands wholly or partly by our own demands, even if the offset is based on different contractual relationships.

XV. Termination, withdrawal

1. If application is made for insolvency proceedings to be initiated against the Supplier's, or if we become aware of circumstances that indicate the inability of the Supplier to pay, we shall have the right to terminate the existing contractual relationship without notice and without the Purchaser deriving therefrom any claims to fulfilment and/or compensation for damages.

2. We shall have the right, if we ourselves are hindered by force majeure – see Article VI. No. 2 – from accepting the performance, to withdraw from or terminate the contract. In this case we shall make a lump-sum compensation payment amounting to 5% of the contractual value of the contractual performances not yet rendered. The Contractor shall have the right to prove that he has incurred higher costs/expenses.

XVI. Assignment

The Supplier may not assign his contractual claims against us either wholly or partly to third parties without our written consent; the exception to this is the assignment to his financing bank. We are entitled to declare an offset against the bank, including counter demands against the Supplier that we acquire after notification of the assignment.

XVII. Transfer of rights

The Supplier may not assign rights arising from the contract either wholly or partly to third parties (subcontractors) without our express written consent.

XVIII. Duty of the Contractor to supply information
1. The Contractor is obligated to inform us, with a lead time of one year, that he is ceasing production of products that he supplies to us or that he has in the last two years supplied to us, so that we are able in good time to initiate the procurement of stocks or our own technical modifications.

2. The duty to inform also applies in the case of technical modifications to products, in which case the time limit is shortened to six months.

3. Products that are manufactured exclusively for the NEUHÄUSER Group may be modified only if the NEUHÄUSER Group has given its consent thereto in advance. This also applies if the Contractor intends to cease their production.

4. In the case of a continuous business relationship, the Contractor shall inform us in the first calendar week of a year of all circumstances that will influence the scheduling of orders in the ongoing calendar year. These include in particular statutory and other public holidays applicable at his production location, planned works holidays in the Contractor's works and those of his subcontractors as well as planned downtimes due to technical changes.

5. The Contractor shall inform us, with a lead time of six months, of any intended price increases for products that are not included in framework agreements with us. If he does not inform us, then he must maintain the existing price basis for us for the following six months, unless he can prove with justification that this is economically unreasonable for him.

XIX. Confidentiality

1. The Contractor must treat all information that he obtains from the NEUHÄUSER Group, from the contractual initiation phase until the expiry of the last claim from the contract, as confidential. This obligation to confidentiality also applies after the winding up of a contract until such time as the knowledge that the Contractor gains within the context of the business relationship becomes common knowledge.

2. Compliance with the confidentiality requirements also means that the Contractor must obligate both his own employees and his subcontractors accordingly.

XX. Corruption

We reject corruption in every form. If we become aware of a case of corruption within the framework of a contractual relationship with the Contractor, we shall have the right to terminate all contracts involved with immediate effect. Claims against the Contractor for compensation of damages are not affected by this right to terminate.

XXI. Place of fulfilment and place of jurisdiction
1. The place of fulfilment is the place of delivery specified by us.

2. The exclusive place of jurisdiction for all disputes is Dortmund.

XXII. General provisions

1. The contractual relationships are governed by the laws of the Federal Republic of Germany. The applicability of all international conventions on the sale and manufacture of goods is excluded.

2. Amendments or additions to the contract are effective only in the written form.

3. If one or more provisions or one or more clauses of the individual contract should be or become ineffective, this shall not affect the effectiveness of the remaining provisions of the contract.

4. In the case of disputes regarding the General Terms & Conditions of Purchase of the NEUHÄUSER Group, the German-language version shall be binding.

5. The Contractor agrees to the processing of his data as far as is necessary for business purposes. The above is a valid notification according to Article 33 Para. 1 Bundesdatenschutzgesetz (German Federal Data Protection Act).