

GENERAL TERMS AND CONDITIONS OF BUSINESS OF THE COMPANY MONTA KLEBEBANDWERK GMBH

GENERAL TERMS OF PURCHASE

§ 1 GENERAL

- (1) Our terms of purchase are applicable only; Any contrary terms of the supplier or conditions differing from our terms of purchase are not accepted by us, unless we have expressly given our written consent to their applicability. Our terms of purchase shall also apply if we carry out the purchase without reservations regarding the knowledge of opposing or deviating terms of the supplier.
- (2) All agreements made between us and the supplier for the purposes of executing this contract are contained in writing in this contract.
- (3) Our terms of purchase shall apply only to companies within the meaning of § 310 (1) BGB (the German Civil Code).

§ 2 OFFER – ORDER – OFFER DOCUMENTS

- (1) All offers shall be free of charge. The Supplier is obligated to accept our order within 2 weeks.
- (2) We reserve all proprietary rights and copyrights to images, depictions, calculations and other documents; these may not be made accessible to third parties without our written consent. The documents may be used exclusively for the manufacturing due to our order; after handling of the order the documents are to be given back to us without being asked. They are to be kept a secret from third parties, in this respect the arrangement of § 9 (5) is valid in addition.
- (3) Machines are to be offered in the latest version, have to comply with the latest findings in the field of mechanical engineering and shall be constructed using standardized machine parts according to the relevant DIN standards. All machinery and equipment offered must comply with the statutory provisions and other provisions (in particular technical standards, VDE regulations and accident prevention regulations). Corresponding supplier declarations and confirmations regarding statutory compliances (e.g. REACH or RoHS certificates) shall be provided.

§ 3 PRICES – TERMS OF PAYMENT

- (1) The price specified in the order is binding. Unless otherwise agreed the price shall be sent free of charge ("frei Haus") including packaging. The return of packaging requires a special agreement.
- (2) The VAT is included in the price.
- (3) Invoices can only be processed if they - according to the requirements of our order – specify the order number shown originally on our order form; the supplier is responsible for any consequences resulting from the non-compliance with this obligation, unless he is able to prove that he is not responsible for these consequences.
- (4) We will pay, unless agreed otherwise in writing, the purchase price within 14 days after delivery and receipt of invoice with 3 % discount or within 30 days of receipt of invoice.
- (5) We are entitled to set-off and retention rights to the extent provided for by law.

§ 4 DELIVERY TIME

- (1) The delivery time stated in the order is binding.
- (2) The supplier is obliged to notify us in writing without delay if circumstances arise or if such circumstances become recognizable to him, that indicate the impossibility to meet the delivery date.
- (3) In the event of delay in delivery we shall be entitled to statutory claims. Especially we are enabled to claim indemnification instead of delivery and withdrawal from the contract after the fruitless passing of an appropriate deadline. Should we demand indemnification, the supplier has the right to prove to us, that he is not responsible for this.

§5 PASSING OF RISK – DOCUMENTS – STORAGE OF DOCUMENTS

- (1) The delivery, unless otherwise agreed in writing, has to be in accordance with "DDP" Incoterms 2010.
- (2) The supplier shall be obliged to state our exact order number on all consignment documents and delivery notes; if he fails to do so, any delays in processing are not our responsibility.
- (3) The supplier has to provide a sufficient transport insurance at his own expense. Also the risk of loading and unloading shall be borne by the supplier.
- (4) The supplier is obliged to keep documents relating to the production, storage, supply and sale of products for a minimum period of 5 years from the date of delivery and provide us with these documents on request.

§6 LIABILITY – LIABILITY FOR DEFECTS

- (1) We shall be obligated to examine the goods for any deviations in quality and quantity within reasonable time-limits, a complaint shall be deemed timely if received by the supplier within 5 working days, counted from receipt of the goods or, in case of hidden defects, counted from their discovery.
- (2) We shall be entitled to the statutory defect claims without restriction; in any case we shall be entitled to ask the supplier for repair of the defect or for delivery of new goods as we choose so. The right to claim damages, in particular for damages instead of performance, remains explicitly reserved.
- (3) We are entitled to remove any defects ourselves at expense to the supplier, if the supplier is behind schedule.
- (4) The limitation period for warranty claims is 36 months, to be calculated from the passing of risk, unless the mandatory provisions of §§ 478, 479 BGB (german civil code) apply.

§7 PRODUCT LIABILITY – INDEMNIFICATION – THIRD PARTY LIABILITY INSURANCE COVER

- (1) As far as the supplier is responsible for any product damage he shall be obliged to indemnify us from any damages claimed by a third party „at first request“ (auf erstes Anfordern) as far as the reason lies within his range of command and organisation and as far as he shall be held liable himself in the legal relationship with third parties.
- (2) As part of the indemnification in accordance with paragraph (1) the supplier is obliged to reimburse any expenses of us in accordance with §§ 683, 670 BGB (german civil code) or §§ 830, 840, 426 BGB (german civil code) that arise out of or in connection with a recall of defective products conducted by us. As far as possible and reasonable we shall inform the supplier in advance of the content and scope of the recall measures to be implemented and give the supplier the opportunity to comment. Other statutory claims remain untouched.
- (3) The supplier undertakes to maintain a product liability insurance with a flat rate sum insured of at least 10 million Euro per personal injury claim / property claim; any additional claims to which we are entitled shall not be affected.

§8 RIGHTS

- (1) The supplier ensures that in connection with his delivery no rights at all of third parties within the Federal Republic of Germany will be violated.
- (2) If claims are asserted against us by a third party due to such infringement, the supplier shall be obliged to indemnify us from these claims upon first request; we are not entitled to conclude any agreements with the third party in particular to make a compromise - without the consent of the supplier.
- (3) The duty of the supplier to indemnify shall refer to all expenses we have arising from, or in connection with, the assertion of third party rights
- (4) The statutory period of limitation for these claims is 36 months, starting from the day of transfer of risks.

§ 9 RETENTION OF TITLE – PROVISION OF PARTS/MATERIAL – TOOLS – CONFIDENTIALITY

- (1) Insofar as we provide parts or material to the supplier, we shall retain ownership to said parts/material. Any processing or conversion by the supplier shall be made on our behalf. If our reserved goods are processed together with other objects that do not belong to us, we shall acquire the co-ownership to the new object/material in relation of the value of our object to the other processed objects at the time of processing.
- (2) If the object or material we provide is inseparably mixed with other objects or material not belonging to us, we shall acquire the co-ownership to the new object/material in relation of the value of the reserved property to the other mixed objects at the time of mixing.
- (3) We reserve our title to tools; the supplier is under obligation to use the tools solely for the manufacture of the goods that we have ordered. The supplier is obliged to insure the tools belonging to us for the value when new at his own expense against fire damages, damages caused by water and damages caused by theft. Concurrently the supplier assigns to us any claims under such insurance cover, we, in turn, accept such an assignment. The supplier is obliged to perform in a timely manner any required service and inspection work on our tools as well as all maintenance and repair work at its own cost. The supplier shall notify us immediately of any incident whatsoever; claims for damages shall not be affected if he fails to do so by negligence.
- (4) Insofar as the collateral rights attributable to us pursuant to paragraph (1) and / or paragraph (2) exceed the purchase price of all our reserved property not yet paid for by more than 10 %, we shall be obliged on request of the supplier to release collateral rights as we choose so.
- (5) The supplier shall be obliged to keep all images, drawings, calculations and other documents and information strictly confidential. They may only be disclosed to third parties with our explicit consent. The duty to maintain confidentiality shall also apply after the end of this contract; it shall expire, if and to the extent that the manufacturing knowledge in the images, drawings, calculations and other documents become generally known.

§ 10 PLACE OF JURISDICTION – PLACE OF PERFORMANCE

- (1) If the supplier is a merchant, our registered office is the venue; however, we are entitled to bring action against the supplier also at the court of his place of residence.
- (2) Unless otherwise specified in the order, our main business is the place of performance.
- (3) The Laws of the Federal Republic of Germany are valid; the validity of the CISG (United Nations Convention of Contracts for the International Sale of Goods) is excluded.
- (4) The German version of these Terms and Conditions shall be deemed original and, in the case of disagreement on the interpretation of the rules, shall prevail.

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