

General Conditions of Purchase

for Multigear GmbH

Status: 29.05.2013, Rev: 2.0

Applicable in business transactions with businesses, corporate bodies under public law and special funds under public law.

1. General

1.1 Our conditions of purchase are valid exclusively. Customer general conditions of purchase of which are contrary to or deviate from our Conditions of Purchase are only recognised by us in so far as we have expressly agreed to them in writing.

1.2 Acceptance of goods or deliverables from the customer or payment for them does not imply agreement to their general conditions of purchase.

1.3 Our proposals are without obligation. Supply contracts and all other agreements (including subsidiary agreements), as well as declarations by our representatives do not become legally binding for us until they have been confirmed in writing.

1.4 Deviations from our transactions and orders are only permitted following our prior written agreement.

1.5 German law under the exclusion of the conflict of laws and the UN Convention on Contracts (CISG) is valid exclusively.

2. Delivery Dates, Delivery Deadlines

2.1 Deviations from our transactions and orders are only permitted following our prior agreement in writing.

2.2 Agreed dates and deadlines are binding. The date goods reach us is definitive for keeping to a delivery date or deadline. If the delivery is not agreed as "ex works" (DAP or DDP in accordance with Incoterms 2010), the supplier must provide the goods under consideration of the time to be agreed with the haulier for loading and to despatch in good time.

2.3 If the supplier had taken on the erection or installation and if nothing for instance to the contrary has been agreed, then the supplier bears the costs under the reservation of regulations to the contrary of all expenses necessary, such as for example travel costs, providing tools and day rates.

2.4 If agreed deadlines are not kept to, then the legal regulations are valid. If the supplier anticipates difficulties with regard to production, supply of the initial material, keeping to the delivery date or similar circumstances, which could hinder him in delivering on time or in delivering in the required quality, then the supplier must immediately inform our department which made the order.

2.5 Unreserved acceptance of late delivery or performance does not contain an omission of claims for compensation due to us because of overdue delivery or performance; this is valid until full payment of the sum due from us for the delivery or performance concerned.

2.6 Partial performance is fundamentally not permitted, unless we have expressly agreed to it, or it is reasonable to us.

2.7 For numbers of items, weights and measures under the reservation of evidence to the contrary, the values

determined by us during the inspections of goods inwards are definitive.

3. End of Obligation to take Delivery

3.1 Higher Power, interruptions in operation due to no fault of the company, unrest, official measures by authorities and other unavoidable events free us from the obligation to take delivery on time, as long as these are present. During such events as well as for two weeks after the end of them we are entitled – irrespective of our other rights – to withdraw from the contract in whole or in part, as long as these events are not of negligible duration and our demand is significantly lessened due to procurement from other sources.

3.2 The regulations of Number 3.1 are also valid in the case of labour disputes.

4. Prices

Where no particular agreement has been reached, the prices are understood to be delivered to the specified location (DAP in accordance with Incoterms 2010) including packaging. Value Added Tax is not included in this.

5. Transfer of Risk

The supplier carries the risk for the object up until we accept the goods or our representatives do so, at that location at which the goods are to be delivered to in accordance with the contract.

6. Payments

Settlement of invoices takes place either within 20 days with a deduction of 3 % discount or within 30 days of the due date of the request for payment without a deduction, and receipt of both the invoice as well as the goods or deliverable, provided no other agreement has been reached. The payment is made under the reservation of invoice verification by auditing.

7. Claims for Defects

7.1. Acceptance is carried out under the reservation of examination that no defects are present, in particular also of correctness and completeness, as long as and as soon as this can be done according to a proper and orderly course of business. Defects will be complained about immediately after we discover them. In this way the supplier renounces the intervention of delayed notice of defects.

7.2. The legal regulations on legal defects and objective defects are used, provided nothing to the contrary is regulated below.

7.3. We are fundamentally entitled to select the type of supplementary performance. However the supplier can refuse the type of supplementary performance chosen by us, when it is only possible with inappropriate costs.

7.4. Should the supplier not immediately commence to resolve the defect after receiving our request to remove the defect, then in urgent cases we have the right in particular to protect against acute dangers or to prevent larger damages, to do this ourselves at the supplier's expense or to have a third party carry this out.

7.5. The supplier also frees us from any possible existing third party claims with legal defects of title, unless he is not responsible for the defect of title.

7.6. Apart from in cases of fraud, claims for defects lapse after 3 years, provided the object has been used according to its normal use for a construction project and caused the

defect itself. The period for the deadline starts with the delivery of the object of the contract.

7.7. If the supplier fulfils his supplementary performance by supplying a replacement, then the period for claims lapsing for goods delivered as a replacement commences again with the delivery of the goods, unless the supplier expressly and appropriately reserved the right to replace the article requested out of goodwill, in order to reduce arguments or in the interests of continuing the delivery relationship.

7.8. Should expenses arise for us as a consequence of the delivery of a defective object of the contract, in particular transport, roadside costs, labour costs, installation, removal material costs or costs for inspecting the receipt of goods exceeding the normal extent, then the supplier must bear these expenses.

8. Product Liability

8.1. In the case of recourse taken against us on the grounds of product liability, the supplier is obliged to free us from such claims provided and to the extent that the damages were caused by a fault in the object of the contract provided by the supplier. In cases of fault-based liability however this is only valid if the supplier has acted culpably. As long as the cause of damages lies in the supplier's field of responsibility he must prove that he is not at fault.

8.2. In cases under Number 8.1 the supplier accepts all costs and expenses, including the costs of any legal prosecution which arises.

8.3. Otherwise the legal regulations are valid

8.4. Prior to a recall campaign, which is wholly or partially the consequence of a defect in the object of the contract delivered by the supplier, we shall inform the supplier, give him the opportunity to get involved and shall have exchanges with him on efficient implementation, unless informing the supplier or involving him is not possible due to the particular need for urgency. As long as a recall action is the consequence of a defect in the object of the contract delivered by the supplier, the supplier bears the costs of the recall campaign.

9. Rights of withdrawal and termination

9.1. Over and above the legal rights of withdrawal, we are entitled to withdraw from or terminate the contract with immediate effect, if

- the supplier has stopped delivering to his customers,
- a significant deterioration of the supplier's financial circumstances occurs or threatens to set in and through this the obligation to fulfil the obligation of delivery to us is jeopardised,
- the supplier enters a state of insolvency or has liabilities exceeding his assets
- the supplier stops making payments.

9.2. We are also entitled to withdraw or terminate the contract if the supplier applies for the opening of insolvency proceedings or comparable proceedings for his assets in order to settle his debts.

9.3. If the supplier has effected partial performance, then we are only entitled to withdraw from the whole contract when we have no interest in partial performance.

9.4. Provided we withdraw from the contract or terminate it on the basis of the contractual rights of withdrawal and of termination present, the supplier must refund the damages arising, unless he is not responsible for the origin of the right to withdraw or terminate arising.

9.5. Legal rights and claims are not limited by the regulations named in this point.

10. Documents and Confidentiality

10.1. All commercial or technical information we provide access to (including features taken from any objects, documents, or software handed over, and other knowledge or experience) provided, and as long as they are not demonstrably in the public domain, must be kept confidential from third parties and may only be made available to such persons in the supplier's own business, who must be involved in their use as a necessity for the purpose of the delivery to us, and who are equally committed to secrecy; they exclusively remain our property. Such pieces of information may not be reproduced or used commercially without our prior written consent, except for deliveries to us. At our request, all information originating from our company (should the situation arise including copies made or records) and objects handed over on loan must be handed back to us immediately and in full, or must be destroyed.

We retain all rights to such information (including intellectual property rights and the right to register commercial trademarks and property rights, such as patents, samples, models and designs etc.). Provided these have been made accessible to us by third parties, this legal reservation is also valid for the benefit of the third party.

10.2. Products which have been created according to documents designed by us, such as drawings, models and suchlike, or which are prepared according to our confidential details or using our tools or tools which have been copied, may neither be used by the supplier himself nor offered or supplied to third parties.

11. Place of Jurisdiction

The place of jurisdiction is Mendig. It remains open to us however to appeal to the court responsible for the customer.

12. Partial Negation

Should one condition of these General Conditions of Purchase or a regulation in the context of other agreements between us and the customer be or become void, then the effectiveness of all other conditions or agreements remains unaffected by this.