

General Terms and Conditions of Purchase

Engler GmbH & Co. KG

§ 1 General - Scope of Application

(1) Our Terms and Conditions of Purchase apply exclusively; we shall not accept any terms and conditions of the Supplier that conflict with or deviate from our Terms and Conditions of Purchase unless we would have explicitly agreed to their validity in written form. Our Terms and Conditions of Purchase shall also apply if we accept the supplier's delivery without reservation in the knowledge that the supplier's terms and conditions conflict with or deviate from our Terms and Conditions of Purchase.

(2) All agreements made between us and the supplier for the purpose of executing this contract shall be specified in written form in this contract.

(3) Our Terms and Conditions of Purchase shall only apply to entrepreneurs, legal entities under public law or special funds under public law within the meaning of Section 310 (1) of the German Civil Code (BGB).

§ 2 Offer - offer documents - samples, specimens and data sheets of the supplier

1) In general, our orders are to be confirmed within 3 working days, stating our order data. Correspondence is to be conducted with our purchasing department. Employees of other departments have no authority to amend orders or contracts. Agreements with such employees therefore require the explicit written confirmation of the Purchasing Department in order to be effective, unless the power of attorney results from the commercial register.

(2) We reserve the property rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without our express written consent. They are to be used exclusively for production on the basis of our order and must be kept secret from third parties; in this respect, the provisions of § 9 (2) shall apply additionally.

(3) The supplier is obliged to provide a sample, a specimen and/or data sheets upon our request. The properties of the sample or specimen as well as the information in the data sheets shall be deemed warranted properties or agreed as guaranteed by the supplier. The same applies to the information in company certificates.

§ 3 Prices - Terms of Payment

(1) The price stated in the order is a firm price. In the absence of any deviating written agreement, the price shall include delivery free of charge, including packaging and transport insurance. The return of packaging requires special agreement. Changes must be made in written form.

(2) The statutory value added tax is included in the price. It must be stated separately in the invoice.

(3) We can only process invoices if these - in accordance with the specifications in our purchase order - state both the order number and the article-only number; the supplier is responsible for all consequences arising from non-compliance regarding this obligation, unless he can prove that he is not responsible for them.

(4) Unless otherwise agreed in writing, we shall pay the purchase price within 10 days, calculated from delivery and receipt of invoice, with a 2% discount or net within 30 days after receipt of invoice.

(5) We are entitled to rights of set-off and retention to the extent provided by law.

§ 4 Delivery time

(1) The delivery time stated in the order is binding. If a delivery period is specified, it shall run from the date of the order.

(2) The supplier is obligated to inform us in writing, in advance by e-mail, within 2 working days if circumstances occur or become apparent to him which indicate that the stipulated delivery time cannot be met.

(3) In the event of a delay in delivery, we are entitled to the statutory claims. In particular, we are entitled to demand compensation instead of delivery as well as rescission after the unavailing expiry of a reasonable period of time. If we demand compensation, the supplier shall also have the right to prove that he is not responsible for the breach of duty.

§ 5 Transfer of risk - documents

(1) Unless otherwise agreed in written form, the delivery shall be performed "free of charge" and at the risk of the supplier.

(2) The supplier is obliged to exactly state our order number and article number on all shipping documents and delivery receipts; if he fails to do so, we shall not be responsible for any delays in processing.

§ 6 Investigation of Defects - Liability for Defects

(1) We are obligated to inspect the goods within a reasonable period of time for any deviations in quality and quantity; the complaint is deemed timely if it is received by the supplier within a period of 5 working days, calculated from receipt of the goods or, in the case of hidden defects, from discovery.

Deliveries involving larger quantities of the same parts, in particular smaller vendor parts, are examined by us using the statistical sampling method. The supplier renounces all possible objections that this does not comply with the duty of inspection and complaint according to § 377 HGB (German Commercial Code). If the random checks reveal defective parts, we shall be entitled, at our discretion, to reject the entire delivery without further examination or to carry out a further examination. The supplier shall bear all costs of further investigation.

If a quality assurance agreement exists between the supplier and us, its separate provisions regarding the duty of inspection and complaint to be fulfilled by us shall remain unaffected by this. We are entitled to the statutory claims for defects in full; in any case, we are entitled to demand that the supplier, at our discretion, either rectify the defect or deliver or manufacture a new item. The right to demand compensation for damages, in particular compensation for damages instead of delivery, is expressly reserved. The provisions of sections 478, 479 of the German Civil Code (BGB) shall apply to us in full and without restrictions even if we are subject to claims due to the defectiveness of an item, for the production of which we have processed the goods ordered from the supplier and the defectiveness of this item has been caused by a defect in the goods ordered from the supplier. In particular, we shall be entitled to the rights under sections 478 and 479 of the German Civil Code (BGB) in full and without restriction even if the supplier promises us by means of forms a renunciation of future price increases, lump-sum price reductions, free goods discounts, percentage discounts or other benefits as compensation for a restriction. We shall be entitled to remedy the defect ourselves at the supplier's expense if there is imminent danger or special urgency.

§ 7 Product modification - Product liability - Indemnity - Liability insurance cover

(1) Within the scope of ongoing business relations as well as when a delivery item has initially been inspected, tested and released, the supplier shall be obliged to inform us in writing of any product change without being requested to do so. Furthermore, in cases of ongoing delivery or delivery after product approval by us, the supplier shall be obligated to inspect the delivery item for all deviations and changes in the event of any change in the manufacturing conditions in its business, in particular

in the event of the replacement of tools, machines or the introduction of new manufacturing processes, and to notify us in writing of such deviations and changes. If the supplier fails to provide such notification in the aforementioned cases, § 377 HGB shall not apply even if the changed condition of the delivery item leads to a defect.

(2) If the supplier is responsible for product damage, it shall be obliged to indemnify us against compensation claims by third parties upon first request to the extent that the cause lies within its area of control and organization and the supplier is liable to third parties itself.

(3) Within the scope of its liability for damages as defined in subsection (1) above, the supplier shall also be obliged to compensate any expenses pursuant to sections 683, 670 of the German Civil Code (BGB) and sections 830, 840, 426 of the German Civil Code (BGB) arising from or in connection with a recall campaign carried out by us. We will - as far as possible and reasonable - inform the supplier about the content and scope of the recall measures to be carried out and give him the opportunity to state his position. Other statutory claims shall remain unaffected. The supplier commits himself to have a product liability insurance with a sufficient amount of coverage per personal injury/property damage - as a lump sum; if we are entitled to further claims for damages, these shall remain unaffected. Upon request, the supplier shall provide evidence of insurance coverage.

§ 8 Property Rights

(1) The Supplier guarantees, irrespective of fault, that no rights of third parties, in particular no patent rights and copyrights within the Federal Republic of Germany and Europe, are infringed in connection with its delivery.

(2) If claims are asserted against us by a third party due to the infringement of property rights, the supplier shall be obliged to indemnify us against such claims upon first written request. The supplier's indemnification obligation relates to all expenses necessarily arising for us from or in connection with the claim by a third party. Our further claims, in particular those arising from § 437 No. 1 to 3 BGB, shall remain unaffected.

(3) If we are prohibited from using or exploiting the goods in whole or in part due to the infringement of property rights, the supplier shall be obliged to either procure the right to use or exploit the goods for us or to make the goods free of property rights. If the supplier is in delay with the fulfillment of this obligation, we shall be entitled to procure the right to use or exploit the goods ourselves at the supplier's expense.

The supplier is obliged to compensate us for any damage caused by the fact that we have not been provided with the right to use or exploit the goods in time.

§ 9 Reservation of title - Provision - Tools - Secrecy

(1) Insofar as we provide parts to the supplier, we shall retain title to the same. Processing or transformation by the supplier shall be carried out for us. If our reserved goods are processed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our item (purchase price plus VAT) to the other processed items at the time of processing.

(2) If the item provided by us is inseparably mixed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of the item subject to retention of title (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the Supplier's item is to be regarded as the main item, it shall be deemed agreed that the Supplier transfers co-ownership to us on a pro rata basis; the Supplier shall hold the sole ownership or the co-ownership in safe custody for us.

(3) We retain ownership of tools; the supplier is obligated to use the tools exclusively for the manufacture of the goods ordered by us and to otherwise store them for us free of charge. The supplier is obliged to insure the tools belonging to us at reinstatement value against fire, water and theft damage at his own expense. At the same time, the supplier hereby assigns to us all claims for compensation arising from this insurance; we hereby accept the assignment. The supplier is obliged to carry out any necessary servicing and inspection work on our tools as well as all maintenance and

repair work. He shall notify us immediately of any malfunctions; if he culpably fails to do so, claims for damages shall remain unaffected.

(2) The contracting parties agree that ownership of all tools which the supplier manufactures or has manufactured on our behalf shall pass to us to the extent that we compensate the supplier for the tool costs as agreed. Insofar as we only participate with a fraction of the tool costs, the supplier already now grants us a co-ownership share in the tools to the extent of this fraction. It is agreed that the supplier shall store the tools for us free of charge. The supplier is obliged to keep all received illustration, drawings, calculations and other documents and information strictly confidential. They may only be revealed to third parties with our express consent. The obligation of secrecy shall also apply after the execution of this contract; it shall expire if and to the extent that the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known. Provided parts, tools or documents may only be made accessible to third parties by the supplier with our express consent. The supplier shall impose the above obligations on these third parties. Confidential information may not be used for any purpose other than the execution of the contract.

§ 10 Other

(1) Place of fulfillment and jurisdiction is our registered office (Heroldstatt). German law shall apply to the contractual relationship. UN sales law is excluded.

(2) In the event that any provisions of the contract with our supplier, including these Terms and Conditions of Purchase, are or become invalid in whole or in part, the validity of the remaining provisions shall not be affected thereby. The completely or partially ineffective provision shall be replaced by a provision that most closely approaches the economic success of the ineffective provision.