

**I. Scope of Application**

- A. These General Terms and Conditions of Purchase (hereinafter called "Purchase Conditions") shall apply to all orders and purchases of goods and services (hereinafter called "Products") by Maxitrol GmbH & Co. KG (hereinafter called "Maxitrol") now or in future, unless otherwise expressly agreed to in writing.
- B. Deviating general conditions of Maxitrol's business partner (hereinafter called "Supplier") shall not apply, even if Supplier refers to thereto and Maxitrol falls to oppose the same expressly. Maxitrol hereby expressly opposes all deviating conditions of Supplier.

**II. Orders and Acceptance**

- A. Unless otherwise agreed, Maxitrol is bound only by its written orders (per letter, email or fax). Orders by phone are only binding, if expressly agreed by Maxitrol or if the order is subsequently confirmed in writing.
- B. Unless Maxitrol's order is confirmed in writing within two (2) weeks of the date of order or delivery is effected within that time in response to the order, Maxitrol will cease to be bound by the order. Any modified acceptance of Maxitrol's order by Supplier requires express written notification. In this case the Contract shall become effective only with Maxitrol's written approval.

**III. Prices and Terms of Payment**

- A. The agreed prices are fixed and net, free to the place of delivery named by Maxitrol, in particular including packaging, insurance, customs and other duties if applicable.
- B. Supplier shall show sales tax in orders and invoices separately.
- C. Payments by Maxitrol shall be made either within eight (8) days for a discount of three percent (3%), within fourteen (14) days for a discount of two (2) percent, or within thirty (30) days upon receipt of invoice or upon delivery, whichever is later.
- D. Maxitrol may pay by bank transfer or check.

**IV. Delivery and Transfer of Risk**

- A. Terms of delivery specified in the order or agreed between Maxitrol and Supplier shall be binding. Delivery shall be deemed to have been made on time if the Products have been delivered to the place of delivery named by Maxitrol in the order. Supplier shall without undue delay inform Maxitrol when it becomes aware of circumstances that jeopardize compliance with a delivery date.
- B. The delivery shall be effected in the manner specified in the order unless Supplier opts at its own cost and expense for a faster manner of delivery in order to meet delivery date.
- C. Product can be delivered to the place named by Maxitrol during working days from Monday to Thursday from 7 a.m. to 4 p.m. and on Friday from 7 a.m. to 12.30 p.m.
- D. Supplier should state an all delivery documents the order number, the order date, description of Products, number of packages as well as the gross weight of each package.
- E. Supplier shall pack and transport the Products in such a way that damage will not occur. Supplier shall bear and indemnify Maxitrol from any costs, damages and other expenses which occur due to the fact that Supplier did not comply with statutory or agreed instructions of shipping, packing, or marking, unless Supplier proves that it is not responsible for the damage.
- F. The Supplier shall at its own cost and expense take out a reasonable insurance cover for the Products.
- G. The risk of loss of the delivered Products shall pass to Maxitrol upon delivery of the Products to the place named by Maxitrol. The Products shall be delivered only when the Products have been handed over to the warehouseman or the Products have been put into stock on order of the warehouseman.
- H. In the event that Supplier fails to observe binding delivery dates, Maxitrol may claim liquidated damages for non-performance in the amount of twenty-five percent (25%) of the total order unless Supplier proves that in reality Maxitrol suffered a substantially lower damage. Further claims, especially the right to terminate the Contract, shall not be affected by this provision.

**V. Packaging**

- A. Supplier shall take back packaging at its own cost and expenses at the place of delivery of the Products.

**VI. Quality and Documentation**

- A. The Products must be in accordance with the current state-of-the-art technology and the agreed quality levels and specifications. If a certification by a third party is necessary, the Supplier shall be obliged to obtain such certification at its own cost and expense.
- B. Supplier shall regularly inspect the quality of the Products to be delivered. Maxitrol and Supplier shall keep each other informed about ways to improve quality.
- C. In the event that Maxitrol is requested by authorities to grant inspection of the production process and the inspection documents in order to verify whether certain requirements of the Products have been observed. Supplier shall use best efforts to assist Maxitrol in this regard and shall grant Maxitrol the right to inspect the respective documentation of Supplier.

**VII. Warranty**

- A. Supplier warrants that delivered Products are free from defect and possess the guaranteed qualities.
- B. Maxitrol undertakes to notify obvious defects to Supplier within 5 days after delivery and non-obvious defects within 14 days after discovery of the defects.
- C. Unless otherwise agreed, the statute of limitation for claims based on defects is 24 months from transfer of risk.
- D. If Supplier does not satisfy Maxitrol's warranty claims within a reasonable period of time, Maxitrol is entitled to arrange for remedy of the defect or substitute delivery at Supplier's expense. The same applies for urgent situations which allow no delay.
- E. In the event that more than one percent (1%) of the delivered Products are defective, Maxitrol is entitled to reject the total consignment without obligation to inspect each Product of the consignment.
- F. To the extent that Maxitrol integrates the Products in consumer goods or uses the Products in the production of such goods, the following provisions shall apply additionally: If Maxitrol is subject to recourse claims or other claims by its customers for damages, reduction of the purchase price or rescission of the purchase agreement ("recourse claims of suppliers") that are due to a defect caused by a defect in the Product delivered by

Maxitrol's supplier, the statute of limitation for Maxitrol's claims against the Supplier in respect of such defect shall be in accordance with the statutory limitation period for the recourse claims of suppliers, so that the limitation of Maxitrol's claims shall be suspended up to two months after Maxitrol fulfils the claims of its customers. The suspension shall end at the latest five (5) years after delivery of the goods to Maxitrol.

- G. Supplier shall indemnify Maxitrol in the event of producer's liability that results from a defect for which it is responsible.

**VIII. Industrial Property Rights of Third Parties**

- A. Supplier warrants that no third party industrial property rights will be infringed in Germany in connection with the use of the ordered Products in accordance with the terms of the contract unless the infringement is exclusively due to the specifications given by Maxitrol.
- B. The same applies if industrial property rights of third parties abroad Germany are infringed.
- C. In the event of a claim by a third party in this regard, Supplier is obliged to indemnify Maxitrol from such claims upon receipt of first written request, irrespective of whether supplier has acted negligently or with wilful intent. Without Supplier's approval, Maxitrol shall not enter into any agreements, in particular to effect a settlement with a third party. Supplier's indemnity obligation refers to all necessary expenses incurred by Maxitrol arising from or in connection with a third party's claim.
- D. In the event of an infringement of industrial property rights of a third party, Supplier may either change or replace the Products, at no additional cost for Maxitrol, so that they no longer interfere with the industrial property rights of any third party, but nevertheless conform to Maxitrol's written specifications.

**IX. Industrial Property Right of Maxitrol**

- A. All industrial property rights, information and documents made available by Maxitrol to the Supplier for development, production and sale of the Products shall remain the exclusive property of Maxitrol.
- B. Supplier undertakes and warrants that it shall not use any Product information received from Maxitrol in order to develop or manufacture goods which compete with Maxitrol's products. Supplier shall hold Maxitrol free and harmless from all costs and shall compensate Maxitrol for all losses or loss of profit due to Supplier's infringement of industrial property rights of Maxitrol.

**X. Tooling and Equipment**

- A. If Maxitrol furnishes to Supplier tooling or equipment (such as special dies, molds, jigs, tools, test equipment, etc.) Maxitrol shall retain title in such tooling and equipment.
- B. If Maxitrol is invoiced for tooling or equipment, Maxitrol shall acquire title in the same upon payment of such invoice.
- C. Supplier shall store, mark, maintain and repair tooling and equipment free of charge.
- D. Unless otherwise permitted in writing by Maxitrol, Supplier shall use such tooling or equipment of Maxitrol exclusively for the performance of orders for Maxitrol.
- E. Any tooling or equipment owned by Maxitrol may on request be removed at any time during normal business hours and after prior notification.

**XI. Termination of Contract**

- A. Maxitrol is entitled to terminate the contract in part or in whole at any time.
- B. In the event of termination, the statutory provision of Sec. 649 of the German Civil Code (BGB) shall apply.
- C. Maxitrol is not obliged to pay the agreed price if Supplier is responsible for the termination of the Contract.

**XII. Work performed at Maxitrol's or Customer's premises**

- A. If the order covers services or construction work at Maxitrol's or Customer's premises, Supplier shall take out a reasonable liability insurance cover for risks in connection with works performed on the premises at its own expense. Supplier assigns the corresponding claims under the insurance cover to Maxitrol and Maxitrol accepts such assignment.
- B. Supplier undertakes to observe all laws and regulations as well as the internal rules and instructions applicable on the company premises.
- C. The regulations of the VOB shall not apply.

**XIII. General**

- A. Except with the prior written consent by Maxitrol, Supplier shall not be entitled to assign any rights arising from its business relation with Maxitrol or any claims it may have against Maxitrol, to third parties unless this is necessary to transfer title in the products to Maxitrol.
- B. Maxitrol may in connection with the business relations with Supplier disclose to the latter information which by its nature is confidential or proprietary to Maxitrol or expressly designated as such. Supplier or its employees shall neither disclose such confidential or proprietary information, pass the same on to any third party nor make any own use thereof.
- C. Except with the prior written consent by Maxitrol, Supplier and its affiliated companies are not entitled to use any element of Maxitrol's names, trademarks or commercial designations.
- D. Any changes, amendments or modifications to these General Conditions and of confirmed orders shall be invalid unless made in writing and signed by both parties. This written form requirement may be waived only by written Agreement concluded between Maxitrol and Supplier.
- E. The contract is governed by the laws of the Federal Republic of Germany; the provisions of the United Nations Convention on Contract for the International Sale of Goods dated April 11, 1980 and of the conflict of laws of the Federal Republic of Germany are excluded.
- F. If Supplier is a merchant, place of performance is Thale. If Supplier is a merchant and unless exclusive place of jurisdiction exists according to legal provisions, the place of jurisdiction for all pecuniary claims shall be Magdeburg, Germany; for complaints lodged by Maxitrol the place of jurisdiction may also be Supplier's general place of jurisdiction.
- G. Should one or more provisions of these General Conditions be or become invalid in part or in whole, the validity of the remaining provisions shall not be affected thereby. All headings contained in these General Conditions are for reference purposes only and are not part of these General Conditions.