

**General Terms and Conditions of Purchase
of ESG Edelstahl-Schneidservice-GmbH**

Section 1

General information – Scope

- (1) Our Terms and Conditions of Purchase apply exclusively; we shall not recognise terms and conditions of the Supplier that oppose or deviate from our Terms and Conditions of Purchase unless we have explicitly confirmed their applicability in writing. Our Terms and Conditions of Purchase also apply in the event that we accept the Supplier's delivery without reservation in knowledge of the Supplier's terms and conditions that oppose or deviate from our Terms and Conditions of Purchase.
- (2) All arrangements made between us and the Supplier for the purposes of executing this contract shall be set out in writing in this contract.
- (3) Our Terms and Conditions of Purchase only apply for companies within the meaning of Section 310 para. 1 BGB (German Civil Code).
- (4) Our Terms and Conditions of Purchase are also applicable for all future business with the Supplier.

Section 2

Offer – offer documents

- (1) The Supplier is obligated to accept our order within a deadline of two weeks.
- (2) We shall retain ownership and copyright of all illustrations, drawings, calculations and other documents; these must not be made available to third parties without our express written consent. They shall be used exclusively for purpose of effecting our order; once the order has been completed they shall be returned to us without any further request. They must be kept secret from third parties; in this respect, the provisions of Section 9 (5) shall apply in addition.

Section 3

Prices - terms of payment

- (1) The price specified in the order shall be binding. In the absence of a deviating agreement in writing, the price shall include "free house" delivery, including insurance. The return of packaging shall require special agreement.
- (2) Statutory VAT is not included in the price.
- (3) We can only process invoices if these - as per the requirements in our order - contain the order number shown there; the Supplier shall be responsible for all consequences arising from the non-fulfilment of this obligation, unless it can prove that it is not responsible for these.
- (4) Unless otherwise stated in writing, we shall pay the purchase price within 14 days, calculated from delivery and receipt of invoice, with a discount of 2%, or within 30 days of receipt of the invoice net.
- (5) We may exercise rights of set-off and retention to the extent allowable under law.

Section 4
Delivery time

- (1) The delivery time specified in the order is binding.
- (2) The Supplier is obligated to inform us immediately in writing if and when circumstances occur or become discernible to it which mean that it will not be possible to comply with the agreed delivery time.
- (3) If delivery is delayed we shall be entitled to charge a flat-rate for damages caused by delay in the amount of 1% of the delivery value per complete week, but not more than 5%; all further statutory claims (withdrawal and claims for compensation instead of performance) remain unchanged. The Supplier reserves the right to prove that no lower or higher damages resulted from the delay.

Section 5
Transfer of risk – Documents

- (1) The delivery shall be made free of charge, unless otherwise agreed in writing.
- (2) The Supplier is obliged to enter our exact order number on all shipping documents and delivery notes; failure to do this shall mean we cannot be held responsible for delays in processing.

Section 6
Inspection of defects – Liability for defects

- (1) We are obligated to inspect the goods for deviations in quality and quantity within an appropriate period of time; the complaint shall be deemed timely provided it is received by the Supplier within five (5) working days from receipt of goods or, in the case of hidden defects, from discovery of the defect.
- (2) We shall be entitled to the full statutory claims for defects; in every case we shall also be entitled to demand, at our discretion, that the Supplier remedy the defects or effect a new delivery. The right to compensation, particularly to compensation in lieu of performance, remains explicitly reserved.
- (3) We shall be entitled to remedy the defect ourselves at the expense of the Supplier if the Supplier is in arrears with subsequent performance.
- (4) The statute of limitations shall be 36 months, calculated from the transfer of risk, unless affected by the binding regulations of Sections 478, 479 BGB.
- (5) In the event of the sale of consumer goods the provisions of Sections 478, 479 BGB shall remain in force.

Section 7
Product liability – Indemnity – Liability insurance cover

- (1) To the extent that the Supplier is responsible for product damage, it is obliged to release us from damage claims of third parties on first demand, as the cause falls within the Supplier's domain and organisation and it is liable in the external relationship.
- (2) In the context of its own liability for damages within the meaning of para. (1), the Supplier shall also be required to reimburse any expenses pursuant to Sections 683, 670 BGB or pursuant to Sections

830, 840, 426 BGB that arise from or in connection with a product recall carried out by us. We shall notify the Supplier, as far as is reasonably practicable, regarding the content and scope of the recall measures being carried out and shall give the Supplier an opportunity to comment.

- (3) We shall inform the appropriate authorities in agreement with the Supplier in accordance with the provisions of ProdSiG (Product Safety Act).
- (4) The Supplier undertakes to obtain product liability insurance with an insured sum of €10 million for each personal injury or damage to property in a lump sum; any other claims against us remain unaffected.

Section 8

Intellectual property rights

- (1) The Supplier warrants that no third-party rights within the Federal Republic of Germany are infringed in connection with its delivery.
- (2) If a claim is made against us by a third party due to such an infringement, the Supplier shall be bound to indemnify us against these claims upon first written request.
- (3) In the event of damage claims of third parties the Supplier reserves the right to provide proof that it was not culpable for the breach of third party rights. We shall not be entitled to make any kind of agreement with the third party without the Supplier's consent, in particular to conclude a settlement.
- (4) The Supplier's obligation to provide indemnification extends to all expenses that we incur as a result of or in connection with a third party claim, insofar as the Supplier cannot prove that it was not responsible for the breach of duty underlying the violation of property rights.
- (5) The limitation period for these claims is 3 years starting from the transfer of risk.

Section 9

Retention of title - Provision of parts - Tools - Confidentiality

- (1) Where we provide parts to the Supplier, we shall retain the title to these. Processing or modification shall be performed by the Supplier on our behalf. If our retained goods are processed alongside other objects not belonging to us, we shall acquire joint ownership of the new objects in the ratio of the value of our goods (purchase price plus VAT) to the value of the other processed objects at the time of processing.
- (2) If the goods provided by us are inseparably combined with other objects not belonging to us, we shall acquire joint ownership of the new objects in the ratio of the value of the retained goods (purchase price plus VAT) to the other objects at the time of combination. If the combination is done in such a way that the Supplier's objects are considered as the main objects, it is understood that the Supplier shall assign proportional joint ownership to us; the Supplier shall hold the sole or joint ownership for us.
- (3) We shall retain ownership of any tools provided; the Supplier is obligated to use the tools exclusively for the manufacture of the goods ordered by us. The Supplier shall be required, at its own cost, to insure objects belonging to us at their replacement value against fire, water and theft. At the same time, the Supplier hereby assigns to us all compensation claims from this insurance policy; we hereby accept the assignment. The Supplier is obligated to carry out any necessary maintenance and inspection work and all maintenance and repair work on our tools promptly at its own cost. It shall report any faults to us immediately; where it culpably fails to do so, any claims for damages remain unaffected.

- (4) Insofar as the securing rights to which we are entitled under para. (1) and/or para. (2) exceed the purchase price of all our as yet unpaid retained goods by more than 10%, we shall be obliged at the request of the Supplier to release the securing rights at our discretion.
- (5) The supplier shall be required to treat all images, drawings, calculations and other documents and/or information it receives as strictly confidential. They may only be disclosed to third parties with our express consent. The confidentiality obligation shall survive the termination of this contract; it shall only expire if and when the production expertise contained within the images, drawings, calculations and other documents transferred has become common knowledge, or if the facts were provably known to the Supplier at the time of their notification within the meaning of sentence 1.

Section 10

Place of jurisdiction - Place of performance - Applicable law

- (1) If the Supplier is a businessperson, our registered office shall be the place of jurisdiction; we are, however, also entitled to sue the Supplier in the court at its place of business.
- (2) Unless otherwise stated on the order, our registered office shall be the place of performance.
- (3) The law of the Federal Republic of Germany shall apply, to the exclusion of the CISG.