

UBB Umformtechnik GmbH – General Terms and Conditions of Purchase

1. General, area of applicability

- 1.1. These general terms and conditions of purchase apply for all contracts between UBB Umformtechnik GmbH, Im Grund. 1, 91593 Burgbernheim, Germany (hereinafter purchaser) and the supplier (hereinafter supplier) concerning purchase and delivery of goods. They apply for ongoing business relationships between the purchaser and the supplier, also for subsequent contracts, even if these general terms and conditions of purchase are not submitted with subsequent contracts.
- 1.2. The conditions of the supplier shall only be valid if they do not conflict with these general terms and conditions of purchase. If there are deviations between these general terms and conditions of purchase and the supplier's conditions, then these terms and conditions of purchase shall apply. The same shall also apply if the purchaser has not contradicted a deviating declaration from the supplier, e.g. formulation of an order acknowledgement.
- 1.3. The purchaser expressly declares that its products are marketed worldwide.

2. Ordering modalities

- 2.1. The purchase order and order acknowledgements, as well as forecast delivery schedules and the associated changes and supplements must be in writing. However the purchaser shall also be authorised to place orders, forecast delivery schedules, as well as make changes and supplements through remote data transmission or through machine readable, unsigned data carriers. Oral purchase orders shall require written confirmation.
- 2.2. The supplier shall confirm purchaser's orders immediately after the purchase order is received.
- 2.3. Order acknowledgements that deviate from the purchase order shall require purchaser's express written approval to be valid.
- 2.4. If a framework contract concerning future deliveries exists between the purchaser and supplier, then an order placed by the purchaser shall be binding. A deviating provision in the framework contract shall take priority over this provision.
- 2.5. The supplier shall notify the purchaser of price changes for future purchase orders, e.g. in the form of new price lists, at least 6 weeks prior to the effective date of the price changes.
- 2.6. If, in addition to purchaser, the supplier supplies other companies of the UBB Umformtechnik GmbH with identical goods, then the price that corresponds to the lowest price that the supplier has granted to a different company within the UBB Umformtechnik GmbH at the time purchaser orders, shall apply as the price agreed between purchaser and supplier, for these goods ("most favoured treatment"). The basis shall be the ex-factory price, on the other hand transport costs, fees, taxes, customs duties, etc. shall not be considered. If the supplier grants the respective company of the UBB Group quantity discounts for the identical goods, then these quantity discounts shall also be granted and credited in favour of the purchaser. The supplier shall be obligated to make the corresponding price and discount information available to purchaser before the contract is concluded.

3. Obligations of the supplier

- 3.1. The supplier shall be obligated to notify purchaser without delay of pending changes in the manufacturing processes, materials, vendor parts for products, processes or equipment for testing the parts, or of other quality assurance measures, as well as relocations of manufacturing locations.
- 3.2. In addition the supplier shall make the necessary information available to purchaser so that the purchaser can check whether the changes can negatively impact the products.
- 3.3. The supplier shall be obligated to make supplier declarations, if possible long-term supplier declarations, in favour of the recipient of the delivery.
- 3.4. The supplier shall be obligated to provide clear information on supplier's delivery note or on the invoice concerning the country of origin, or to provide corresponding information in the long-term supplier declaration. On request the supplier shall be obligated to make the appropriate documents that are legally required in the country in which the delivery location is located, available to the recipient of the delivery as specified in the purchase order. With submission of a long-term supplier declaration the supplier shall immediately notify purchaser of any changes in this information.
- 3.5. The supplier shall warrant that supplier's deliveries satisfy the requirements specified in the ordinance (EC) 1907/2006 on registration, evaluation, approval and limitation of chemical substances (REACH Ordinance). In particular the supplier shall warrant to the extent required under the provisions of the REACH Ordinance, that the substances contained in the products delivered by the supplier have been pre-registered, or have been registered after the transition periods have elapsed, and that the safety data sheets as specified in the requirements of the REACH Ordinance, as well as the required information as specified in Art. 32 and Art. 33 of the REACH Ordinance, have been made available to purchaser. The supplier shall again acknowledge the form in which the supplier must fulfil these requirements by signing a special declaration of conformity. The supplier shall notify the purchaser immediately of changes to this information.
- 3.6. The supplier shall make information concerning hazardous goods and product safety available to purchaser together with the goods, as stipulated in statutory regulations and the purchaser's specifications.
- 3.7. Moreover the supplier shall submit the information for the voluntary supplier disclosure, as well as for the supplier evaluation that will be executed by the purchaser, and shall participate in the purchaser's implementation of the guidelines on hazardous goods and in purchaser's quality management guideline.
- 3.8. In the event that supplier fails to comply with the obligations set forth in number 3.1 - 3.7, the supplier shall be liable to purchaser for any damages that may arise from supplier's failure to comply with said obligations, including supplemental claims for foreign import duties, administrative fines, and similar charges.
- 3.9. The supplier shall be obligated to buy back as new goods, the marketable goods without deficiencies or signs of use, in the supplier's product line that purchaser still has in stock, unsold, 12 months after delivery, at the respective current price, on purchaser's request.

4. Delivery of goods, contract penalty

- 4.1. Agreed scheduled dates and delivery periods shall be binding. The determining factor for compliance with the scheduled delivery date or the delivery period shall be receipt of the goods at the place of receipt of the delivery location specified in the purchase order. The supplier shall immediately notify purchaser of any delays in scheduled dates. If the agreed scheduled calendar dates are not complied with by the supplier, the supplier shall be in arrears without reminder. The purchaser shall be entitled to all statutory regulations concerning arrears, particularly the right to withdraw from the contract and to demand compensation for damages instead of the performance. The supplier shall be obligated to compensate purchaser for all damages or costs incurred due to delayed deliveries and performances, in accordance with statutory regulations. Acceptance of the delayed delivery shall not constitute any waiver of recourse for the goods or damage compensation claims on the part of purchaser. In the event of repeated failure to comply with scheduled dates, purchaser shall be authorised to withdraw from the contract at anytime, even if the supplier is not responsible for the delay.
- 4.2. If the supplier is in arrears with the delivery, then the purchaser shall be authorised to demand 0.5% of the delivery value per commenced week that the scheduled date is exceeded, however a maximum of 5% of the delivery value, as contract penalty. The purchaser shall be authorised to enforce the above provision to final settlement, even if the purchaser did not expressly reserve the right to do so when accepting the delayed delivery. The right to assert more extensive damages shall remain unaffected. The contract penalty shall be applied to the damages that must be compensated.
- 4.3. Deliveries prior to the agreed scheduled date shall only be permissible with purchaser's consent. The purchaser shall reserve the right to send back goods that are delivered early.

5. Transfer of risk / retention of title

- 5.1. The risk for the goods shall be borne by the supplier until goods are received by purchaser at the place of receipt specified by the purchaser. Purchaser shall reserve the right to make deviating contractual agreements.
- 5.2. The goods shall become the direct property of the purchaser when they are transferred to purchaser. A retention of title shall not be recognised by the purchaser.

6. Delivery and liability

- 6.1. The delivery shall be made via the cheapest routes and with due consideration of the general quality requirements for safety of the delivery. Unless otherwise agreed, goods that will be delivered shall be properly packed in a manner that is customary in trade. The supplier shall provide goods with a specified original packaging or other special packaging in accordance with the purchaser's instructions. The supplier shall be liable for damages due to deficient packaging.
- 6.2. The supplier shall mark or label the goods and the packaging in the manner specified in the contract or prescribed by the purchaser.
- 6.3. The supplier shall be obligated to mark the goods and the packaging in accordance with the statutory regulations in the country of origin, at purchaser's site, and at the delivery location, and to supply all required information (e.g. safety data sheet and instructions for hazardous goods, as specified in numbers 3.5 and 3.6) together with the goods. If the supplier requires information from the purchaser in this regard, supplier shall be obligated to obtain such information from purchaser in good time.
- 6.4. The goods shall be delivered stacked on euro-pallets in accordance with the information specified on the purchase order.
- 6.5. The place of fulfillment for delivery and payment shall be the location at which the delivery must be executed as specified on the purchase order.
- 6.6. Supplier shall only deliver goods that are provided with a brand name or corresponding appointments, or that are packed in original packaging by order of the purchaser, to purchaser or to a third party designated by the purchaser.
- 6.7. Packaging costs shall be the responsibility of the supplier if nothing to the contrary has been contractually agreed in writing.
- 6.8. The supplier shall be liable for the deliveries and performances procured by the supplier as well as for supplier's own deliveries and performances. This shall particularly apply with regard to defects.

7. Acceptance, contract penalty

- 7.1. Partial deliveries shall not constitute fulfillment, unless approved as such by the purchaser. The purchaser shall reserve the right to send back over-deliveries or under-deliveries or goods with deviations at the supplier's expense.
- 7.2. If quality assurance agreements have been concluded with the supplier, the purchaser shall check the delivered goods for apparent defects, for agreement of the goods with the delivery note, as well as for transport damage, and purchaser shall report any deficiencies to this effect to the supplier without delay. Furthermore in this case purchaser's legal obligations to examine the goods and provide notice of non-conformity shall be waived. In all other aspects the supplier shall process complaints on the basis of the guidelines and specifications made available from the purchaser.
- 7.3. If goods that have been provided with a brand name or with a logo of the purchaser on behalf of the purchaser are sent back by the purchaser, or are not accepted, then these goods shall not be sold to third parties. For every instance of non-compliance a contract penalty amounting to double the value of the goods, however at least EUR 30,000.00, shall be agreed.

8. Claims for defects

- 8.1. If there are deviations to the agreed condition, and for any impairment of usability, the purchaser shall be entitled to the legal rights without limitation. This shall also apply for only slight deviations. Technical specifications (e.g. in catalogues of the supplier, on the supplier's web site, on product inserts, or on the packaging) shall apply as the agreed condition and these specifications shall always be complied with.

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- 8.2. The purchaser shall have the right to choose rectification of defect or re-delivery in every case.
- 8.3. Replacement deliveries for defective goods shall be executed at supplier's expense and carriage free. The supplier shall also be responsible for the costs of a replacement delivery to a deviating delivery location to which the goods were properly placed.
- 8.4. Rectification of a defect shall be considered as failed after the first unsuccessful attempt. Without prejudice to more extensive legal claims, the purchaser shall in every case be authorised thereafter at purchaser's discretion to withdraw from the contract, reduce the purchase price, demand compensation for damages, demand reimbursement of charges expended in vain, and/or procure replacement from a third party at supplier's expense.
- 8.5. The supplier shall be liable for consequential damages due to defective goods.
- 8.6. The supplier shall warrant that the delivered goods correspond to the current state of the technology, satisfy the applicable standards for the respective goods, particularly the latest standards of the Deutsches Institut für Normung (DIN), and that public-law directives and safety regulations, and that possibly present or included markings concerning characteristics, designations, descriptions, or use instructions for the goods are correct with regard to content, legally unobjectionable, are complete and understandable, and do not violate any third-party rights.
- 8.7. The supplier has been informed that supplier has the right to prove that he is not responsible for violation of an obligation.
9. Warranty and liability
- 9.1. The supplier shall be liable for claims and rights arising from deficiencies in the delivered goods – regardless of legal grounds – for 3 years after delivery of the goods, unless a longer legal period of limitation is provided.
- 9.2. This period shall also apply for liability cases that are not related to claims and rights due to defects. Longer legal periods of limitation, such as the regulations concerning the beginning of the period of limitation, suspension, suspension of the period of limitation, as well as the restart of the period of limitation, shall also remain unaffected.
10. Product liability
- 10.1. The supplier shall indemnify the purchaser from all claims on the part of purchaser's customers, that are asserted by purchaser's customers due to activated advertising messages made by the supplier, an upstream supplier of the supplier, or by a vicarious agent of one of these cited entities, and which would not exist or not exist in this type or amount without the advertising message. This provision shall apply regardless of whether the advertising message is communicated before or after this agreement is concluded.
- 10.2. If the purchaser is involved in claims for damage compensation by third parties due to damage that is attributed to defective goods delivered by the supplier, or that consists in the deficiencies of the defective goods delivered, and if the supplier is responsible for this damage, then the supplier shall be obligated to indemnify the purchaser from all third-party claims, including the costs necessary to defend against these claims. If the purchaser must execute a recall action due to such a damage event, the supplier shall be obligated to reimburse purchaser for all expenses that arise from or in conjunction with the recall action. To the extent possible for the purchaser and if time allows, the purchaser shall inform the supplier of the content and the scope of the recall action and provide the supplier with an opportunity to state supplier's position. More extensive legal claims shall remain hereby unaffected.
- 10.3. The supplier shall be obligated to the extent agreed, purchase and maintain a product liability insurance policy with coverage that is appropriate for the goods, (the amount of coverage depends on the respective product and must be specified individually). More extensive legal claims shall remain hereby unaffected.
11. Commercial property rights, intellectual property
- 11.1. If a claim is lodged against the purchaser by a third party because a commercial property right of a third party is violated through the delivery, the supplier shall be obligated to indemnify purchaser from all third-party claims, including all necessary expenses that are incurred by the purchaser in conjunction with the third-party claim, and for defence against the claim, if the supplier is responsible for the legal violation. If the purchaser has been expressly indemnified from third-party claims, purchaser shall forego acknowledging the third-party claims and/or concluding agreements with the third-party relative to these claims.
- 11.2. If the goods contain new features that originate with the purchaser, the purchaser shall reserve all rights to these features, particularly in the event of patent grant or registration as design. Products that have been manufactured based on documents drafted by the purchaser, such as drawings, models, etc. or based on confidential information, or purchaser's know-how, shall not be used by the supplier, nor offered or delivered to third parties.
12. Property, confidentiality
- 12.1. All documents, including samples and drawings provided to the supplier with the purchase order, shall remain the property of the purchaser. The documents and drawings shall only be used for the contractual purpose, shall not be made available to third-parties, and shall not be duplicated. Said documents and drawings shall be sent back to purchaser, unsolicited after fulfillment of the respective contract.
- 12.2. In addition after processing a purchase order, the supplier shall also keep information concerning manufacturing processes that the purchaser has obtained from the supplier, confidential, and not use this information for supplier's own production or for deliveries to purchaser's competitors, unless the information has become publicly known without the supplier being at fault, or if the supplier obtained the information from a third party without violating this confidentiality obligation. If this obligation is violated the supplier shall be liable to the full extent for any damages incurred by the purchaser.
- 12.3. If special tools, templates or similar items must be prepared for certain articles, that have been billed to the purchaser, or for which the purchaser has paid proportional tool costs, then these parts shall become the property of purchaser upon payment. After fulfillment of the respective contract the supplier shall be obligated to send these parts as well as the provided documents and drawings to the purchaser without delay, at supplier's expense. The supplier shall take on a duty of care for these tools, and shall bear the risk of loss. If the purchaser has paid the complete tool costs the parties shall agree on a written tool loan contract. The purchaser shall be authorised at all times to retrieve the tools from the supplier without citing reasons.
- 12.4. The supplier shall be obligated to insure the tools against fire, water, and theft at the new value, at supplier's expense as specified in number 12.3 of these general terms and conditions of purchase. The supplier shall be obligated to perform maintenance and inspection tasks or have maintenance and inspection tasks performed at supplier's expense.
- 12.5. If the purchaser makes parts or raw materials available to the supplier, the purchaser shall reserve the property right to these parts or raw materials, and said parts or raw materials must be kept separate from other goods of the supplier. Processing or alteration by the supplier shall be undertaken by the supplier for the purchaser. If the parts or raw materials made available by the purchaser to the supplier are processed with other objects, that do not belong to the purchaser, then the purchaser shall acquire joint ownership of the new object in the ratio of the value of the purchaser's parts to the value of the other processed objects at the time of processing.
- If the parts or raw materials made available by the purchaser to the supplier are inseparably mixed with other objects that do not belong to the purchaser, then the purchaser shall acquire joint ownership of the new object in the ratio of the value of the purchaser's parts to the value of the other mixed objects at the time of mixing. If the mixture is executed in such a manner that an object of the supplier is viewed as the main object, then it shall be agreed that the supplier transfers proportional joint ownership to the purchaser. The supplier shall hold the sole or joint ownership in safe custody for the purchaser, if necessary.
13. Invoicing, terms of payment, assignment
- 13.1. Invoices shall be prepared in duplicate, specifying the supplier number, purchase order number, quantity and quantity unit, the shipping date, as well as the residual quantity for partial shipments (with the reservation stipulated in number 7.2).
- 13.2. Supplier's claims against purchaser shall only be assigned to third parties with the consent of purchaser.
- 13.3. If nothing to the contrary is agreed, payments shall be made on the 14th day of the month following receipt of the invoice, minus 3% discount, or 60 days after receipt of the invoice, net.
14. Child labour
- The supplier shall be obligated not to employ any children. The supplier shall ensure that his own suppliers do not employ any children. All persons under the age of 15 are considered to be children. Children 14 years of age may be employed on an exceptional basis if in the country of production children are legally allowed to work from age 14.
15. Force majeure
- 15.1. Force majeure (unforeseen, unavoidable, unusual events, such as lightning strike, martial events, etc.) shall free the contracting parties from the performance obligations for the duration of the disturbance and in the scope of its effect. The same shall also apply if these events occur at a point in time at which the affected contracting party is in arrears. Strike shall not be viewed as force majeure.
- 15.2. The contracting parties shall be obligated to provide the required information without delay, in a manner that is reasonable, and to adapt their obligations to the changed conditions in good faith.
16. Applicable law, court of jurisdiction
- German law with exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) of April 11, 1980 shall apply for the contract. The court of jurisdiction for all disputes arising from this contract shall be Frankfurt am Main, Germany. The purchaser shall reserve the right to also file a suit at the headquarters location of the supplier.
17. Concluding provisions
- 17.1. Oral ancillary agreements and retrospective contractual changes shall require written confirmation.
- 17.2. Due to possible invalidity of individual provisions, the other provisions cited above shall not be affected.

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