

1. SCOPE

1.1

Purchaser's orders are governed exclusively by these conditions of purchase. The confirmation or implementation of a purchase order is deemed to be an acknowledgment of these conditions of purchase. Any deviating or supplementary conditions of seller are subject to the written consent of purchaser. These conditions of purchase also shall be valid if purchaser unreservedly takes delivery or accepts performance in spite of having knowledge of conflicting or deviating conditions.

1.2

These conditions only apply to undertakings within the framework of their commercial or professional activities, public-law corporations and public-law special funds.

1.3

These conditions also apply to future business transactions with seller as a consequence of current business relations.

2. ORDERS AND ORDER CONFIRMATIONS

2.1

Purchaser's orders are only valid if made in writing. Verbal orders require written confirmation. Any ancillary agreements require the written form. Individual measures and values provided by purchaser including tolerances shall be binding for seller. By accepting the order seller acknowledges that it inspected the available plans and was informed about the implementation and scope of performance.

2.2

All orders require prompt confirmation by seller by quoting the reference number.

2.3

All confirmations and offers by seller have to contain the following: purchasing department, complete order number, date of order and purchaser's reference number. Any deviations in quantity and quality from the text and content of the order shall only be deemed agreed upon if purchaser explicitly confirmed these deviations in writing.

2.4

All of its offer documentation shall remain purchaser's property and may only be made available to third parties with purchaser's consent.

2.5

Purchaser may, prior to delivery or performance of any service, require changes of the trades to be performed or services to be rendered, including without limitation changes with regard to the scope of delivery or performance, place of delivery or performance, type of transport and transport packaging, to the extent such changes are reasonable for seller. Seller shall inform purchaser immediately if such changes bring about a price increase or reduction. The parties shall agree on an appropriate adaptation of the price by mutual consent before implementing the change.

3. DELIVERY DATES AND CONTRACTUAL PENALTIES

3.1

All delivery dates and delivery deadlines are binding and must be complied with. The date of delivery or performance is defined exclusively as the date on which the delivery arrives or the services are rendered at the delivery address stated by purchaser.

Delivery deadlines start to run from the date of the order. Purchaser shall not be obliged to accept delivery before the delivery date.

3.2

In the event of a delay in delivery or performance on the part of seller purchaser shall be able to claim lump-sum damages in an amount of 1 % of the delivery value for each week of delay in delivery, however, not to exceed 7.5 % of the order value; further statutory claims reserved. Such contractual

penalty payment shall be credited against any claim for damages.

3.3

If a contractual penalty has been agreed in the event of a delay in delivery or performance, this does not affect the right of purchaser to withdraw from the contract and/or assert further claims.

3.4

Purchaser shall be entitled to demand an agreed contractual penalty up until the final payment even if delivery was taken or performance accepted without any special reservations.

3.5

If it is foreseeable that seller will be unable - in whole or in part - to observe a delivery or performance date, seller is required to promptly inform purchaser in writing of such delay by specifying the pertinent reason and the probable duration of such delay. In the event of a violation of this obligation due to negligence seller shall be liable for damages.

4. SHIPPING INSTRUCTIONS AND SHIPPING NOTES

4.1

Immediately following dispatch of each individual consignment purchaser is to be forwarded a detailed shipping note separate from the merchandise and the invoice.

Where transport services are rendered, seller shall furnish proof of delivery of the merchandise to purchaser immediately after executing the order.

4.2

Every shipment has to be accompanied by a delivery note and a packing slip. If shipment is effected by vessel, the shipping documents and the invoice have to quote the name of the shipowner and the ship.

4.3

Unless purchaser has specified its wishes, seller shall at its discretion select the most appropriate mode and route of transportation.

4.4

Hazardous goods shall be packaged, designated and shipped by the seller of such goods in accordance with the regulations nationally and internationally applicable. Besides the category of risks, the accompanying documents also have to contain all further information required by the respective forwarding instructions. Supplier shall be liable and bear all costs relating to the non-adherence to such regulations. He shall also be responsible that his sub-suppliers adhere to these regulations.

4.5

If required shipping documents are missing or contain errors, all costs incurred by purchaser as a result thereof shall be borne by seller. Purchaser has the right to ascertain the contents and condition of such shipments. Tools and set-up equipment must not be loaded together with the items of delivery.

All shipping notes, delivery notes, packing slips, bills of lading, invoices and the outside packaging etc. have to be labeled with the order number and the full information regarding the destination specified by purchaser.

5. RISK OF LOSS

5.1

Barring any written agreement to the contrary, the price shall comprise delivery "free domicile", including all ancillary costs.

5.2

Any risk of accidental loss or deterioration up until the time of making or taking delivery shall be borne by seller.

6. TAKING DELIVERY; ACCEPTANCE; EXAMINATION AND INSPECTION OF THE MERCHANDISE; QUALITY**6.1**

Acts of God, strikes and lockouts shall entitle purchaser to postpone taking delivery accordingly.

6.2 With contracts for work and services, acceptance - within the course of ordinary business - occurs immediately following receipt or coming into operation if delivery is according to contract. With regard to extra deliveries in excess of commercial practice, purchaser reserves the right to return the excess quantities delivered at the expense of seller.

6.3

Any obligation to examine on the part of purchaser shall be confined to the prompt examination of the merchandise as to whether it corresponds to the type and quantity ordered and whether there is any obvious transport damage or any obvious defects. To the extent purchaser is obligated to promptly notify any defects, obvious defects may be notified within 7 working days from the transfer of risk and latent defects within 7 working days from their discovery.

6.4

Seller has to give to purchaser at least one week's firm advance notice of the readiness to examine and to agree with purchaser on a date for such an examination. If the item of delivery is not presented for examination on the specified date, purchaser's personnel costs associated with the examination shall be at the expense of seller. If repeated or further examinations are called for because of defects detected, all costs for material and personnel relative thereto shall be borne by seller. The same applies to the proof of ingoing materials.

6.5

Seller shall keep and maintain a quality assurance system and shall retain for a period of two years from delivery any documentation relating to all and any inspections, analytical data and, in the case of a delivery of chemical products, replacement samples of each delivery.

Save where otherwise agreed between the parties, seller shall enclose with each delivery of chemical products a certificate of analysis relating to the specifications approved by purchaser.

6.6

Seller shall permit purchaser to perform audits at seller's following appropriate prior notice so as to ascertain whether the measures taken to assure quality, and observance of statutory provisions on site, comply with legal requirements and mutual agreements. In this context, the seller shall during customary operating and business hours grant purchaser unrestricted access to all production facilities, testing stations, storage rooms and adjoining areas and the right to inspect all relevant documentation.

7. INVOICING; PAYMENT**7.1**

Unless otherwise agreed payment shall occur at purchaser's discretion either within 14 days at 2.5 % discount or within 90 days from receipt of invoice and receipt of the complete and acceptable consignment.

7.2

Payment shall be made at purchaser's discretion by transfer to an account of seller's, by mailing of crossed checks, in cash or by bill of exchange with charges for bills of exchange and tax on bills of exchange to be borne by purchaser.

7.3

The date of receipt of invoice will be the date on which the invoice is delivered to purchaser's address specified on the order. However, the time limit for payments shall not commence prior to the agreed delivery date. This shall apply to any early acceptance of delivery as well.

7.4

Payments on account or interim payments, if any, cannot be construed as an acknowledgment of the conformity of the performance with the contract or the correctness of pricing.

7.5

Invoices have to be verifiable. Descriptions, sequence of text, and prices should correspond to the data on the order. Excess or short shipments have to be listed separately on the invoice.

7.6

Payment shall be made subject to an auditing of invoices.

8. PRICES

In the event that seller reduces its prices or improves its terms of sale between the order date and the delivery date the prices valid at the time of delivery shall apply.

In all other respects, the price quoted on the purchase order is binding and exclusive of statutory value added tax.

9. COMPLIANCE WITH THE LAW**9.1**

Seller undertakes to comply with all applicable laws, regulations and other directives of legislature (such as the Equipment Safety Act [*Gerätesicherheitsgesetz*]) or of regulatory authorities, including without limitation such as relate to environmental protection, health and safety regulations including directives and regulations issued by trade associations and the VDE (*Association of Electrical Engineers*) with regard to safety at work and accident prevention.

9.2

Of the standards and directives quoted by purchaser, the current version in each case shall apply.

9.3

Seller warrants that deliveries and services will not be provided using child labor, forced labor or convict labor and that the delivered goods shall not, save where otherwise agreed, contain arsenic, asbestos, benzene, carbon tetrachloride, lead, cadmium or any other chemicals designated in the Montreal Protocol.

9.4

Seller warrants that, in derogation from applicable law including the law of the United States of America (such as the Foreign Corrupt Practices Act) and the law of the country in which seller is rendering the services forming the object of the contract, it shall not, in performing its duties, make, offer or authorize any payments, directly or indirectly, to any persons or organizations (whether in the form of a consideration, gift, contribution or otherwise) in order to further in such manner the closing of any deals or to achieve any other advantages in business.

10. WARRANTY CLAIMS**10.1**

Seller undertakes to abide by the agreed specifications and descriptions of services and by the recognized rules of technology, and shall – in case that any assembly, maintenance, inspection, repair or similar work shall be performed at any facility of purchaser's – abide by the safety regulations and rules applicable on purchaser's premises to outside contractors. Seller shall request copies of the internal standards and regulations of purchaser unless these have already been made available.

The delivered goods must comply with the country-of-origin requirements of the EEC preferential agreements save where the order confirmation contains express statements to the contrary.

Seller's deliveries and services shall be provided by it employing the care of a conscientious businessman and shall be free from defects and any third party rights, and must be fit for the contractually agreed purpose.

10.2

Purchaser shall be entitled to full statutory warranty claims and other rights. The foregoing notwithstanding, purchaser shall have the right at its discretion to demand the subsequent fulfillment by removal of defects or a substitute delivery. All requisite subsequent fulfillment costs shall be borne by seller to the extent they are not increased by having to transport the delivery item to a location other than the final destination known to seller.

10.3

The following shall apply to the removal of defects: Where seller refuses to remove any defect, or where any reasonable time limit stipulated by purchaser for such removal of defects cannot be met as notified by seller, or where such defects have not been removed within such reasonable time limit, or such removal has failed, purchaser shall in particular be entitled to claim damages in lieu of performance. Such shall include in particular purchaser's cost of removing such defect itself through its own staff or any third parties.

The same shall apply in cases of urgency or imminent danger.

10.4

Barring any agreement to the contrary, the period of limitation for warranty claims shall be 24 months from the transfer of risk. The agreed limitation period for repaired or replaced parts shall newly commence from the date of subsequent fulfillment. In case of resale by purchaser, the limitation of warranty claims shall begin not earlier than two months after removal of the defect at the end-customer (consumer). Such suspension of the time running shall end at the latest after five years from the delivery to purchaser. Unless otherwise agreed above, the consequences of defective delivery shall be ruled by statutory regulations.

10.5

Any parts giving rise to complaint shall remain at purchaser's disposal until such time as they are replaced and shall at the time of replacement become the property of seller.

11. PRODUCT LIABILITY

11.1

Seller shall release purchaser upon first demand from damages asserted against purchaser with respect to a defective product made or delivered by seller to the extent such defect was caused within seller's domain or organizational area and if seller itself assumes liability vis-à-vis third parties.

11.2

Seller undertakes to take out adequate product liability insurance.

12. INSURANCE

12.1

Purchaser is a so-called "Verbotkunde" with respect to transportation insurance. If the shipping risk lies with purchaser, transportation insurance will be taken out by purchaser exclusively.

12.2

Seller must at its own expense take out adequate third-party liability insurance for any damage caused by it, its personnel or agents through services rendered, work performed or objects delivered.

Proof of the amount of coverage per damaging event has to be supplied to purchaser upon request.

12.3

The conclusion of a special erection risks insurance (EAR) in addition to the third-party liability insurance in accordance with Sec. 12.2. and the product liability insurance in accordance with Sec. 11.2 is subject to determination in the individual case between purchaser and seller.

12.4

Any machinery, apparatuses etc. on loan to purchaser shall be adequately insured by purchaser against all normal risks. Any liability on the part of purchaser in excess thereof for the

loss of or damage to such machinery, apparatuses etc. shall be excluded, except in cases of damage caused with intent or through gross negligence.

13. INDUSTRIAL PROPERTY RIGHTS

13.1

Seller warrants that the delivery object is unencumbered with third-party property rights in Germany or, to the extent he has been informed thereof, in the country of destination. In the event of an industrial property right infringement, seller shall be obligated to compensate purchaser for any resultant damage. In such a case purchaser shall also be entitled at the expense of seller to secure from the owner of such property rights the consent required for the delivery, initial operation, use, resale etc. of the delivery item.

13.2

Seller warrants that no third-party patents, licenses or property rights will be infringed by the delivery and use of the delivery items. Any license fees shall be borne by seller.

13.3

Any know-how or findings made or developed by seller in the framework of an order, and any rights therein (including copyrights, patents, utility models etc.) shall be due to purchaser and seller jointly. Patents, utility models and the like shall be registered in the name of both of them, each with the right of sole use not requiring a license.

13.4

Any reference by seller in its information or promotional material to the existing business relationship with purchaser shall require purchaser's express written consent.

14. CONFIDENTIALITY; DRAWINGS; REQUIRED DOCUMENTS

14.1

Seller shall consider a business secret and consequently maintain confidential any inquiry and order as well as any work relative thereto. Data supplied by purchaser, drawings etc. prepared by it or seller based on such data may only be used or realized otherwise with the written consent of purchaser. All drawings, standards, regulations, methods of analysis, recipes and other documentation provided by purchaser to seller for its use in producing the object to be delivered or in rendering any other work or services as well as all documents prepared by seller upon special instructions by purchaser shall remain purchaser's property and must not be used by seller for other purposes, copied or made available to third parties. All documents complete with copies shall promptly be returned to purchaser at its request, or shall be destroyed at purchaser's discretion. Purchaser reserves all industrial property rights to the documents handed over to seller. Seller shall be liable for any damage incurred by purchaser due to a at least negligent violation of any of these obligations.

14.2

Documents of any kind required by purchaser for the use, installation, assembly, processing, warehousing, operation, upkeep, inspection, repair and maintenance of the delivery item shall be made available gratuitously by seller in time and without having to be requested to do so.

14.3

Seller shall submit to purchaser all documents required for a discussion of the delivery item. Such a discussion or other participation by purchaser shall fall within the exclusive scope of responsibility of seller and shall not release the latter from any warranty or other obligations. Seller's liability shall remain unaffected by the acceptance of drawings and samples submitted by it.

15. PERSONAL DATA PROTECTION

15.1

Seller shall be obliged to,

- keep personal data obtained by Seller from Purchaser or obtained from a data subject directly during the performance of this Agreement strictly confidential and to not disclose such personal data to any third party without having first received express written approval from Purchaser or the data subject;
- inform the data subject, when collecting personal data, about any intended use of such data and to obtain his/her written approval before using them;
- use personal data obtained from Purchaser for the sole purpose of performing this Agreement and to only copy such personal data if necessary for the purpose of this Agreement;
- implement technical and organizational measures to ensure the security and confidentiality of personal data;
- inform Purchaser on each incident that could possibly harm the security and confidentiality of personal data;
- ensure that employees, consultants or representatives who have access to personal data are bound to the terms of this Agreement regarding the use of personal data.

15.2

If personal data are submitted to a country outside of the European Union for which a positive decision of the European Commission is not given regarding an adequate national personal data protection, then Seller must immediately inform Purchaser on such missing data protection and shall take all measures to ensure that such data is protected in the same manner as within the European Union.

15.3

In case that the data subject did not approve the further processing of his/her personal data, Seller shall be obliged to immediately discontinue any further use of the personal data after termination of this Agreement.

In any such case, Seller shall return personal data to Purchaser and, if requested, delete the data.

15.4

Compliance of the data protection obligation is an essential contractual obligation and any continuous breach of this obligation despite of warning notices gives reason for terminating the Agreement.

15.5.

Purchaser shall use any personal data obtained from Seller within the scope of this Agreement for the sole purpose of performing this Agreement and shall observe all relevant regulations regarding data protection.

16. ASSIGNMENT; SETOFF PROHIBITION**16.1**

The assignment to third parties of any rights hereunder shall be subject to mutual agreement. The consent of purchaser shall be deemed obtained if seller has granted its supplier an extended retention of title in the ordinary course of business.

16.2

Any offsetting vis-à-vis purchaser shall be inadmissible save where seller's claims are undisputed, have been recognized or are non-appealable.

The same shall apply to rights of retention.

17. SUBCONTRACTORS; VICARIOUS AGENTS**17.1**

Seller is not permitted to use any subcontractors/third parties other than with purchaser's prior written consent. Where subcontractors are used without purchaser's written consent, purchaser is entitled to cancel the respective order immediately (termination for cause). Any costs arising or having arisen in connection with such inadmissible subcontracting shall be borne by seller only. No postponements of deadlines or time limits shall be accepted.

17.2

Seller shall be liable for the deliveries and performance by its suppliers or subcontractors as well as for its own deliveries

and performance; the seller's suppliers and subcontractors are consequently considered its vicarious agents.

18. TERMINATION FOR CAUSE**18.1**

The contract may be terminated for cause, with no notice period being required. Purchaser's right to terminate as stipulated in Secs. 621 and 649 of the German Civil Code (*BGB*) shall not be affected.

18.2

Such cause shall in particular exist in the event of a negligent breach of material contractual obligations and if seller suffers a pecuniary deterioration, becomes insolvent or files a petition in insolvency.

18.3

In the case of a continuing obligation, such cause shall furthermore exist if the deliveries or services provided within the scope of such continuing obligation have been offered to purchaser on more favorable conditions by a third party and purchaser has notified seller of the existence of such more favorable offer and has granted seller the opportunity to improve its own conditions within 14 days from receipt of such notification, however without seller knowing the conditions of the competing offer, and seller fails to improve its conditions accordingly or its improvement is not more favorable than the third party offer.

18.4

In the event of a termination under Secs. 621 and 649 of the German Civil Code, seller is entitled only to partial compensation for the services that have been rendered until that time.

In the event of a termination of a contract for work and services, such claim to partial compensation shall be increased by an appropriate share of the overhead for such part of the delivery or service which was not performed, as well as any reasonable proven cost of ceasing the execution of the order.

Any further claims shall be excluded.

19. PLACE OF PERFORMANCE; APPLICABLE LAW AND PLACE OF JURISDICTION**19.1**

Place of performance for deliveries is the place of destination and for payments the registered seat of purchaser.

19.2

German law shall apply in addition to these conditions of purchase. To the extent the UN Sales Convention is applicable, the provisions hereof shall apply analogously.

19.3

Sole place of jurisdiction - provided that seller is a merchant - for all disputes directly or indirectly arising out of this contract (also in the event of actions on a bill) shall be Cologne.

19.4

Should individual provisions of this contract be or become invalid this will not affect the validity of the remaining provisions hereof.