

CONDITIONS OF PURCHASE OF REINHOLD KELLER GmbH FOR SUB-CONTRACTORS

- 1. Scope**
 - 1.1 All orders shall be placed exclusively at these conditions of purchase. Our general conditions of purchase apply to all current and future business relations with our subcontractors and suppliers, i.e. natural or legal persons or partnerships having legal capacity with whom business relations are established and who act by way of performing a commercial or self-employed, professional activity.
 - 1.2 Sub-contractors' conditions of sale that vary from, are contrary to or supplement our conditions shall not become an integral part of the contract, including if we are aware of such conditions, unless we expressly approve of the validity of such conditions in writing. Amendments to and supplementary information regarding our conditions as well as the suppliers' conditions of purchase that vary from our conditions shall only be deemed accepted if we have confirmed these in writing as addendums to our conditions of purchase. The same applies if the order confirmation varies from the order.
 - 1.3 The seller's conditions of sale are hereby also expressly rejected – including in advance for all future business transactions. Our conditions of purchase apply exclusively. Suppliers' conditions that are contrary to or vary from our conditions shall not be acknowledged.
 - 1.4 These agreements are also to apply if we accept the seller's goods deliveries and pay for them and the seller's contrary conditions of sale exist, but do not form the basis of the contract. The principles of maintaining silence regarding a commercial letter of confirmation are, insofar, eliminated by way of agreement. Furthermore, the acceptance of deliveries and services, and paying for these, does not constitute approval of the supplier's general terms and conditions of business.
 - 1.5 The specifications, drawings, descriptions and other documents agreed upon by us and the supplier apply with regard to providing the goods or rendering services.
- 2. Offers/entering into contracts**
 - 2.1 A contract shall be brought about by way of an order from us (offer) and confirmation (acceptance) by the supplier in each case in writing. If the supplier fails to accept the order (offer) within 1 week from receipt (acceptance), Reinhold Keller GmbH shall no longer be bound by the order (offer).
 - 2.2 Measurement and weight details. Quantities, prices, other descriptions and other data as stated in catalogues, newsletters, advertisements or price lists merely constitute approximate values, and do not have binding force for us (buyer) as long as they have not been expressly incorporated in the contract. Such data that have been forwarded to the seller prior to entering into a contract shall remain our exclusive property, and furthermore may not be made available to third parties.
 - 2.2.1 Reinhold Keller GmbH may request the alteration of contractual items in terms of construction and design as part of action that is acceptable for the supplier. In that respect the effect, in particular with regard to additional and shortfall costs as well as the delivery dates, is to be provided for appropriately by way of common consent.
 - 2.3 Amendments to or supplementary information regarding the order by the supplier shall only be deemed valid if they have been confirmed in writing by Reinhold Keller GmbH.
- 3. Prices – terms and conditions of payment**
 - 3.1 The price stated in the order has binding force. The agreed purchase price includes the delivery "free domicile" and includes packaging as well as the provision of transport insurance and statutory value added tax.
 - 3.2 Payment and delivery are to be made in a manner and at a time as agreed by the parties in an individual case. In the absence of agreements to the contrary, Reinhold Keller GmbH shall pay on the 15th day of the month following invoicing/performance less 3 % trade discount or 60 days without any discounts. The payment period shall commence as soon as the delivery or service has been provided or rendered in full and a properly issued invoice has been received.
 - 3.3 The weights or quantities determined at the point of discharge are authoritative with regard to calculating and paying for deliveries. In the event of a faulty delivery, we shall be entitled to retain payment at least proportionate to the value up until proper performance. Drafts, drawings and samples shall only be paid for if a written agreement has been entered into in that respect beforehand.
 - 3.4 Payments do not constitute any acknowledgement of the delivery or services as per agreement.
 - 3.5 Without prior approval by Reinhold Keller GmbH, which may not be unreasonably refused, the supplier is not entitled to assign its receivables to or make arrangements to have these collected by third parties. Approval shall be deemed granted in the event of extended reservation of title. If the supplier assigns to a third party its receivables due from Reinhold Keller GmbH contrary to sentence one and without approval by Reinhold Keller GmbH, the assignment shall nevertheless be deemed valid. However, we may at our discretion provide performance with a discharging effect for the supplier or third party.
- 4. Delivery time – default in delivery**
 - 4.1 Agreed delivery dates have binding force and in the absence of agreements to the contrary refer to receipt at the receiving point stated in the order. The delivery is to be made on the delivery date stated in the contract of purchase or the order. In the event of doubt, these are at all times fixed dates. The seller undertakes to notify the buyer in writing and in good time and without delay (where applicable also by fax) if an identifiable default in delivery occurs, and harmonise the further procedure with us.
 - 4.2 In the event of default in delivery, we shall be entitled to assert a flat-rate claim for damage caused by default of 5% of the delivery value for each week that ends in which the default continues, but not more however than 10% of the entire contract value. We hereby expressly reserve the right to assert further-reaching statutory claims. The supplier is entitled to furnish us with proof that as a result of the default no or considerably less damage occurred. In such a case, the flat-rate shall be reduced accordingly.
 - 4.2.1 Furthermore, on request, the supplier is to render us exempt from potential claims for damages asserted by our customers. On request, the supplier is to provide security in the form of liquid funds (where applicable in the form of a corresponding, directly liable bank guarantee, payable on first request, of a domestic bank or insurance).
 - 4.3 In the event of failure to comply with agreed delivery dates attributable to circumstances that are the supplier's responsibility, Reinhold Keller GmbH shall be entitled, irrespective of further-reaching statutory or agreed provisions, once an additional period of reasonable length has lapsed in vain, to withdraw from the contract, procure replacement from a third party and/or assert a claim for damages. Acceptance of a delayed delivery or service shall not constitute the relinquishment of claims for reimbursement.
- 5. Transport, packaging, passing of risk**
 - 5.1 As a general rule, risk shall only pass upon delivery, i.e. upon the completed offloading and the handover at our warehouse or the delivery location determined by us. The passing of risk shall be deemed to have occurred – in any case – only following delivery of the goods at the agreed receiving point. This also applies if, on the basis of a special agreement, the freight costs are to be borne by Reinhold Keller GmbH. Insofar as the transport operation is performed at our cost, goods are to be sent at the respective lowest cost.
 - 5.2 In the absence of agreements to the contrary, the delivery shall be free to the buyer's plant, including all incidental costs and packaging. The cost of disposing of packaging shall be borne by the supplier.
- 6. Inspecting defects and warranty**
 - 6.1 Warranty (guarantee) in the event of material defects:** Deliveries/services shall be accepted on condition of an inspection with regard to accuracy and suitability. Reinhold Keller GmbH shall provide notification of defects regarding the delivery as soon as they are identified in accordance with the circumstances during the proper course of business, within one month. The supplier waives insofar objecting to delayed notification of defects.
 - 6.1.1 The seller expressly assures and shall definitely ensure that the goods that it supplies are fault-free, have the stated warranted characteristics and comply with the buyer's requirements and the acknowledged technological developments and the safety regulations that apply at the time of the delivery or service. The seller guarantees that the goods comply with contractual agreements, the manufacturer's details and the advertising.
 - 6.2 As a general rule, the seller's warranty or its guarantee is provided for two years calculated from the time of acceptance – provided a longer period was not agreed upon in an individual case or a longer period is not applicable based on compulsory German law.
 - 6.2.1 If the material in question is material that the ultimate user of Reinhold Keller GmbH or the customer's customer (supplier chain etc.) installs in a building or on a plot of land or is suitable for corresponding use by the ultimate user or consumer, a warranty of five years from acceptance by our customer (reference is made to the statutory, compulsory regulations, among others Section 438 I No. 2 BGB (German Civil Code)) is agreed upon. Reference is made to the fact that the material procured by us among other things is supplied to entrepreneurs who in turn manufacture and perform work for ultimate users and so-called consumers. Reference is made to the direct liability of entrepreneurs, sub-contractors and manufacturers that is now provided for by way of statutory provisions in line with the agreed German law.
 - 6.2.2 Furthermore, irrespective of our other claims, the supplier is, where applicable on request, to render us exempt from potential claims for damages asserted by our customers. On request, the supplier is to provide liquid security in this respect (where applicable in the form of a directly liable bank guarantee, payable on the first request, of a domestic bank or insurance).
 - 6.3 Insofar as the object of sale is faulty and this is the seller's responsibility, Reinhold Keller GmbH shall be entitled at its own discretion to request free replacement delivery or compensation, rectification of defects or subsequent improvement. This also applies to deliveries for which the inspection is restricted to random samples. In such a case the supplier is to carry the expenses required to rectify the defect or provide replacement. The same applies to the cost of the required legal defence to which we are entitled.
 - 6.3.1 If the supplier fails to rectify a defect or provide replacement or provide the performance within a reasonable period to be set by Reinhold Keller GmbH, Reinhold Keller GmbH shall be entitled to withdraw, without paying compensation, in full or in part, reduce the price and in addition

- claim for damages.
- 6.3.2 In urgent cases, in particular to avoid excessive damage, Reinhold Keller GmbH may itself perform the potential subsequent improvement required, or make arrangements for this to be performed by a third party, to honour its own delivery obligations or, where applicable, procure fault-free contractual items from third parties – without such action resulting in an obligation on the part of Reinhold Keller GmbH. The costs in this respect shall be borne by the supplier.
- 6.3.3 If an inspection of incoming goods is required that extends beyond the customary scope, the costs shall be borne by the supplier.
- 6.3.4 Faulty delivery items shall be returned, sorted or scrapped at the supplier's cost and risk. If a fault is identified following the further processing of the contractual items, the supplier undertakes to carry all costs associated with the exchange or subsequent improvement of the faulty contractual items, in particular inspection, transport, travelling, work and material costs. These also include the cost of replacing and / or repairing products in which Reinhold Keller GmbH or its customers – without own culpability (for which the supplier is, where applicable, required to furnish proof) – has installed faulty contractual items, as well as the cost of handling and warranty processing (incidental material costs).
- 6.4 All spare parts deliveries or repairs are similarly, in turn, deemed an integral part of the warranty set out in the general terms and conditions of purchase.
- 6.5 We are entitled to the statutory warranty claims and other claims without limitations. We reserve the right to assert claims for damages at all times, and this exists in any case at all times in addition to the right to withdraw from the contract or reduce the price.
- 6.6 If action is taken against us regarding a fault in the item supplied by the supplier, resulting among other things from the producer's liability, the supplier is to render us, among other things, exempt from the producer's liability resulting from the fault.
- 6.7 On request, the sub-contractor is to provide security in the form of a directly liable bank guarantee, payable on the first request, of a German bank or insurance in the sum of the purchase price.
- 6.8 **No violation of legal norms:**
The seller expressly assures and will definitely ensure that executing the individual purchase contracts does not infringe upon any rights, in particular with regard to adherence to laws, orders or other provisions of any official department.
- 6.9 **Warranty in the case of defects in title:**
The seller assures that it owns in full all items that are subject to the purchase contracts and that these do not conflict with any other third party rights (such as rights of lien, other creditor positions resulting from the assignment of receivables or other credit security, sales of receivables, hire purchase, conditional sale etc.).
- 7. Liability**
- 7.1 Insofar as Reinhold Keller GmbH or a third party sustains damage because of the delivery of faulty items or faulty performance or service or other violation of contractual obligations, the supplier undertakes to provide compensation.
- 7.2 The supplier shall be liable for measures on the part of Reinhold Keller GmbH to ward off damage provided the damage was attributable to a fault in the product supplied by the supplier.
- 7.3 The supplier undertakes to enter into a product liability insurance policy for all deliveries and services that it provides and renders with appropriate cover for the risks of the supplier industry, consumer protection and extended product liability for material and personal damage, including cover for re-call campaigns, and maintain such an insurance policy for at least 30 years beyond the delivery/service. Reference is made to the extended consumer protection that applies as a result of the contract law reform that came into force in Germany on 01.01.2002. Reinhold Keller GmbH is to be furnished with appropriate proof of the type and scope of insurance cover, including stating the third party risk insurer. Variations are to be reviewed and agreed upon in individual cases.
- 8. Provided material – reservation of title**
- 8.1 Insofar as we provide material or parts to the supplier, we reserve ownership in that respect. These are to be gratuitously and carefully stored, labelled and properly administered. Processing or conversion by the supplier shall be performed on our behalf – without placing us under obligation. Use of these is only permitted for the buyer's orders.
- 8.2 In the event of processing or mixing, we shall acquire co-ownership of the net item in proportion of the value of our item to that of the other processed items at the time of processing.
- 8.2.1 Insofar as the value of the material provided by us exceeds the value of the processing and, where applicable, the other items of the newly created items, the newly created items shall become the property of Reinhold Keller GmbH, otherwise co-ownership on the part of Reinhold Keller GmbH shall apply in the proportion of the value of the provided material to the that of the overall outcome.
- 8.3 Prior to the start of manufacturing, the supplier is to inspect the provided material for visual defects and conduct an identity check. During manufacturing, the supplier is to conduct additional checks provided these have been separately agreed upon with Reinhold Keller GmbH. If the supplier identifies quality defects in the materials provided by Reinhold Keller GmbH, Reinhold Keller GmbH is to be informed without delay to harmonise the further measures.
- 8.4 The tools, forms, models, samples, drawings and standard sheets etc. made available by Reinhold Keller GmbH and, similarly, items manufactured on the basis of these may neither be forwarded to third parties without written approval by Reinhold Keller GmbH nor be used for purposes other than contractual purposes. They may not be made available to third parties insofar as this is not required to honour the contract. If the supplier violates this obligation, Reinhold Keller GmbH may request surrender subject to additional rights. The supplier may not

make available to third parties any information obtained in conjunction with the order processing provided such information is not generally available or is lawfully known in another manner.

- 9. Place of performance, place of jurisdiction and applicable law and other matters**
- 9.1 In view of the fact that our customer is a merchant or may also be a legal person under public law or special public funds, our principal place of business, Kleinheubach, is deemed the exclusive place of jurisdiction for all disputes resulting from this contract. The same applies if the supplier does not have a general place of jurisdiction in Germany or the supplier's company address or place of residence or customary place of abode are not known at the time at which legal action is brought. We may bring legal action against the supplier at our own discretion at its place of jurisdiction too.
- 9.2 As a general rule, our enterprise in Kleinheubach is deemed the place of performance for deliveries and our payments. In individual cases we shall specify another delivery location for deliveries. In other respects, the location at which the goods are to be delivered as per agreement is deemed the place of performance for deliveries.
- 9.3 The authoritative law that applies at our principal place of business for the legal relations between domestic parties applies to all legal relations between us and the seller (sub-contractor, supplier, manufacturer). The law of the Federal Republic of Germany applies – by way of exclusion of the UN Sales Law.
- 9.4 In the event that individual provisions of the contract entered into with the seller, including these general terms and conditions of purchase, are or become wholly or partially invalid, this shall not affect the validity of the other provisions. The contracting parties place each other under obligation to replace the wholly or partially invalid regulation by a regulation, the essence and purpose or the economic success of which comes closest to that of the invalid regulation in a legally permissible manner.
- 9.5 Agreements, in particular verbal incidental agreements and potential assurances of our purchasing staff shall only acquire binding force following written confirmation by us. Relinquishing the written form is also subject to the written form.
- 9.6 These regulations replace all previous agreements entered into by the parties verbally or in writing with regard to these business areas. Insofar as the conditions of purchase do not contain any regulations in this respect, the statutory provisions apply.