

I. General

1. Orders from us are placed exclusively in accordance with the following Standard Terms and Conditions of Purchase. This also applies to all business in the future without need of special mention.
2. Objection is hereby raised in advance to any counter-confirmations from the Supplier that deviate from these Standard Terms and Conditions of Purchase, by citing the Supplier's standard terms and conditions. These Standard Terms and Conditions of Purchase take effect at the very latest when our orders are executed. Business terms of the Supplier are only valid if they have been expressly confirmed by us in writing.
3. Only orders that are placed in writing are legally binding. Oral agreements must be confirmed by us in writing to take effect.
4. The statutory provisions apply insofar as no other regulations follow from these Standard Terms and Conditions of Purchase.
5. The Supplier consents to processing of its data to the extent that this is necessary for conducting business with the Supplier. This serves as notification pursuant to § 33 par. 1 of the German Federal Data Protection Act.

II. Offers

1. The Supplier shall adhere to the enquiry or call for tenders in respect to quantity, characteristics and design. Deviations are to be notified specifically in writing or the claim to greater compensation shall be forfeited.
2. Offers are not legally binding on us and they are free of charge.

III. Prices, Invoicing and Payment Terms

1. Prices pursuant to our order are fixed prices inclusive of all side costs insofar as nothing else is expressly agreed.

2. Prices include deliveries free of charge to our address, that is to our incoming goods department or the site that will be using the goods with packaging included, insofar as nothing else is expressly agreed.
3. Changes in price based on increases that occur later (e.g. costs, taxes) are borne by the Supplier.
4. Prices are quoted exclusive of statutory value added tax, which is to stated separately on the invoice.
5. The payment period commences with receipt of a normal invoice that contains our order number and meets the requirements of the German Value Added Tax Law (UStG), the German Value Added Tax Implementation Ordinance (UStDV) and ruling VR 33/01 of the German Federal Fiscal Court (BFH).
6. Payments are always made subject to invoice verification even when this is not mentioned in an individual case. This includes our contractual right to demand return of excess payments.
7. We have offset and retention rights in accordance with the statutory provisions.
8. The Supplier may only assign claims on us with our written consent.
9. When no special agreement exists, we may pay within 10 days with 3% discount or within 30 days without discount.
10. If we receive the invoice before the goods, the payment period starts with the date on which we receive the goods.

IV. Delivery

1. Our order states the delivery period. This binding delivery period is to be confirmed at once.

2. The delivery period begins with the date on which the Supplier receives the order.
3. If the delivery period expires before the goods are received by the agreed delivery point, the Supplier enters into default without a reminder from us.
4. In the event of delivery default, we are entitled to demand a standard amount of 1% of the delivery value per week of default or part thereof for up to a maximum of 10% of the delivery value without prejudice to our rights to assert further claims.
5. If adherence to the delivery deadline is prevented by force majeure, we must be notified without culpable delay. We are entitled to extend the delivery period insofar as this is possible for our customers, or we can withdraw from the contract in part or in its entirety and possibly demand compensation for damages. In cases of force majeure or similar events the Supplier is not entitled to withdraw from the contract or increase prices without our written consent.
6. After an order has been placed by us, we are entitled to demand changes in the characteristics of the goods within the framework of the Supplier's technical ability to perform. Technical changes and their effects on the delivery terms and conditions must be confirmed in writing by the Supplier and us.
7. We are entitled to withdraw from an order or part thereof without assuming responsibility for costs in the event that this becomes necessary because of weighty legitimate interests on our part.

V. Technical Acceptance

1. We have the unrestricted right to have goods that we have ordered accepted on the premises of the Supplier by our representative. The material acceptance costs shall be borne by the Supplier. This acceptance by us does not discharge the Supplier from its warranty.

2. When materials with test certificate are to be delivered, we must receive these certificates before or at the time when the delivery arrives.

VI. Rights and Confidentiality

1. We retain all ownership rights and copyrights to samples, drawings, computations, procedures, inventions and all other documents and objects that are provided to us or prepared in accordance with our specifications.
2. Transmission to third parties and other usage require our express consent. The Supplier agrees to urge third parties to maintain secrecy.
3. The Supplier shall not use any commercial or technical information or objects received from us for its own advertising purposes. In the case of a violation we shall have a claim to a contract penalty that shall be determined by us in accordance with our fair judgment and be at least 25% of the agreed price. Further claims for compensation for damages are not excluded. The contract penalty shall be credited to any such further claims.
4. That any given contract has been concluded with us shall be kept strictly confidential.
5. We may only be cited as a reference if our consent has been granted in writing.

VII. Shipment and Passage of Risks

1. The goods are to be delivered by the Supplier at the Supplier's risk and cost to the receiving point that has been specified by us. This receiving point shall also be the place of fulfilment. Transport insurance shall be arranged and paid for by the Supplier.
2. Risks pass to us, at the earliest, when the goods have been received by us.

3. Partial deliveries are only permissible in accordance with written agreement and are not to be regarded as independent transactions. Acceptance of a partial delivery can be refused in the absence of a written agreement.
4. Upon demand by us, the Supplier shall provide us at once with documentary evidence of origin that has all the required information and signatures. The same applies to documentation of value added tax. The costs shall be borne by the Supplier insofar as there are no agreements to the contrary.
5. Every delivery shall be accompanied by its own delivery note which, as a minimum, states our order number and the type, quality and quantities of goods being delivered.

VIII. Warranty, Defects, Liability

1. The Supplier warrants that its goods and services conform to the recognized rules of technology, the agreed technical, chemical and physical data and any other agreements that follow from information stated by the Supplier or by us. If more demanding requirements follow from the goods' intended purpose or place of deployment, then these requirements shall form a basis of the contract even without explicit mention by us.
2. The Supplier agrees to deliver in accordance with all applicable directives and ordinances of the European Union, and other regulations and standards (e.g. DIN, ISO, VDE, VDI, etc.) including the CE conformity certificate.
3. If specified by us, the Supplier shall warrant delivery that is true to the relevant samples and drawings with the relevant tolerances being taken into account in order to ensure proper functioning of chains and chain wheels in the given system both individually and overall.
4. Insofar as this is part of the enquiry or order, the Supplier shall also be liable for the planning and construction services rendered by the Supplier.

5. Further statutory warranties remain unaffected by sections VIII.1 to VIII.4.
6. While retaining all rights [in respect to defects], we are not obliged to conduct an immediate examination of goods delivered, as is prescribed by § 377 HGB (German Commercial Code). We report open and concealed defects within eight days of detecting them, while retaining all rights.
7. In respect to defects, we are entitled to all statutory claims to the full extent. The costs of removing defects are to be borne by the Supplier.
8. Neither payment or partial payment of the sales price nor acceptance or confirmation of samples, drawings, drafts and the like constitute acknowledgment that goods are free of defects.
9. We are entitled to undertake defect removal ourselves and on the account of the Supplier in cases of imminent danger, if there is special urgency or if the Supplier has carried out repairs twice without success.
10. The statute of limitations for claims based on defects is 24 months and begins when all the goods have been delivered and are free of defects. Thus every defect complaint suspends the statute of limitations until it has been closed.
11. In addition to the obligation to rendering compensation for damages, the Supplier shall also render compensation for all follow-on damages such as, for example, consequential damages under the German Product Liability Act. Accordingly, the Supplier shall take out product liability insurance with coverage of at least 2.0 million euros and present proof of insurance upon request by us. The Supplier also agrees to assume the costs of outlays pursuant to §§ 683, 670, 826, 830 and 840 BGB (German Civil Code).
12. The Supplier is liable for ensuring that the goods it delivers and the services that it performs are free of all types of third party rights.

IX. Termination of Contract

1. In a case of well founded danger that the Supplier will not deliver on time or cannot fulfil other contractual duties, we have the right to cancel the contract in whole or in part without serving notice and to have the part that has been cancelled executed otherwise at the expense of the Supplier in accordance with the documents available from the Supplier.
2. We may cancel if the Supplier stops payments, files an application for insolvency or settlement proceedings to be opened, or liquidates voluntarily.

X. Retention of Ownership

1. After transfer of goods to us and acceptance of them by us, we receive immediate and unrestricted rights of ownership to the goods delivered. By transferring the goods to us the Supplier declares that we are fully authorized to dispose over the goods and that they are not encumbered by the rights of any third party. If there are any third party rights, the Supplier must inform us prior to the delivery. We have a right of retention.
2. If goods or materials provided by us are combined with objects that do not belong to us, we then acquire co-ownership of the new thing.

XI. Place of Performance, Jurisdiction, Choice of Law, Severability Clause

1. The place of fulfilment for the rights and duties, deliveries and payments that result from each legal transaction is Bad Hersfeld, Germany, insofar as nothing else is stated by us.
2. The sole place of jurisdiction is Bad Hersfeld, Germany. However, we are also entitled to file a lawsuit at the Supplier's legal domicile or at the location of the office of the Supplier that is responsible for the matter in dispute.

3. German law applies except for the regulations of the Vienna UN Convention of 11 April 1980 and those of the Hague Convention of 01 July 1964 in respect to uniform laws for international purchases.
4. If any clause of these Standard Terms and Conditions of Purchase is or becomes ineffective or if it turns out that there is a gap that needs to be filled, this shall not affect the effectiveness of their remaining provisions. In such a case a provision that comes as close as possible to the purpose of the ineffective clause shall apply.
5. In a case of doubt the German language version of these Standard Terms and Conditions of Purchase shall be legally binding.

Bad Hersfeld, March 1, 2010.