

**General Terms and Conditions of Purchase of Hänsel Processing GmbH
(version date: March 2013)**

1. Offers and Orders, Cancellations

- 1.1 Any offers submitted to us are free of charge.
- 1.2 These Terms and Conditions of Purchase apply exclusively to all orders. Any conditions of the Supplier that deviate from or supplement these Terms and Conditions of Purchase are not binding for us, even if we do not expressly disagree to them or the Supplier declares to supply only under his conditions.
- 1.3 Orders are legally binding for both Parties after they have been issued in writing using our order forms and confirmed by the Supplier. We reserve the right to revoke an order if we have not received the order acceptance within 10 days of the order date. This also applies to any changes made to the Contract after its conclusion.
- 1.4 Our written approval must be obtained before completely transferring or subcontracting the ordered deliverables or services to any third parties.
- 1.5 We will not bear the costs of any insurance of the goods, in particular a forwarding insurance. We, as the customer, exempt ourselves from forwarding and logistics insurance.
- 1.6 The Supplier is responsible for observing any applicable legal, safety and environmental regulations.
- 1.7 We reserve the right to completely or partially terminate the Contract for any work or services at any time up to its completion even if the Supplier is not at fault. In such a case the Supplier is entitled to charge solely for the deliverables and services that he can prove he has rendered up to that point in time.

2. Prices

- 2.1. The prices indicated on our purchase orders are fixed prices and include free delivery, packing transport and insurance.
- 2.2 If the prices have not yet been agreed then the Contract comes about only after we have confirmed the prices of the offer in writing.
- 2.3 The prices include free delivery to the place of delivery/performance.

3. Delivery, Delivery Dates and Delays

- 3.1 The agreed delivery date is binding. Advance deliveries may be made only with our written approval. The date of receipt at the shipping address we have provided is used for determining whether or not deliverables with no installation or assembly have been supplied on time. The date of providing deliverables in the right state and condition is relevant for determining whether or not deliverables with installation or assembly as well as performance have been supplied on time.
- 3.2 Invoicing of deliverables is based on the weights, dimensions and quantities determined during our inspection of the incoming goods.
- 3.3 If the Supplier falls behind with his delivery then we are entitled to charge a contractual penalty of 1% of the order value per started week of delay, at most however 5% of the order value. We reserve the right to extend the contractual penalty up until the final payment has been made.
- 3.4 If the Supplier repeatedly does not comply with the scheduled delivery dates we are entitled to withdraw from the Contract after giving notice.

4. Shipment, Transfer of Risk

- 4.1 Deliverables must be properly packed and shipped.
- 4.2 Every consignment must be accompanied by a delivery note. Empty containers/packing not specifically indicated on the delivery note shall become our property at no charge.
- 4.3 At the latest on the day of shipment a notification of dispatch must be sent indicating our order number as well as quantities and item details.
- 4.4 Packing materials and delivery pallets shall be taken back by the Supplier at his expense. We are entitled to send back packing materials and delivery pallets to the Supplier at his expense.

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- 4.5 Consignments must be delivered, if nothing to the contrary has been agreed, in the case of freight and express parcels free of charge to the destination train station (Hanover main station) – registered to be picked up by us –, in the case of shipment by truck free of charge to the company address or to a delivery address indicated by us, in the case of postal packages free of charge to the company PO box or according to our shipping instructions.
 - 4.6 For services as well as consignments with installation or assembly the risk passes over to us upon acceptance by us, and for consignments with no installation or assembly the risk passes over to us when we take delivery at the place of destination appointed by us. Shipment shall be delivered duty paid to the place of destination (INCOTERMS 2010), whereby also in the case of delivery to a third party the unloading is performed at the Supplier's cost and risk.
 - 4.7 Our written approval must be obtained before any partial shipments are made.
- 5. Force Majeure**
- Strikes, lockouts, transport disruptions, natural catastrophes, government action and other operating stoppages in our sector that lead to production being restricted or stopped or prevent us from taking possession of the ordered goods release us from our acceptance commitment for the duration of their effect insofar as we are not able to avert the disruption or averting it is not possible at reasonable cost and effort. Moreover such obstacles to delivery entitle us to cancel the Contract. Claims by the Supplier for a service in return or compensation are excluded in such cases. If for the reasons listed above there is a delay in our taking possession, the Supplier shall store the goods properly at his own risk until they are acquired by us or on our behalf.
- 6. Invoicing and Payment, Non-assignment Clause**
- 6.1 Invoices must be sent exclusively by ordinary mail at the latest by the 3rd of the month following delivery. Any invoices received cannot be processed until the following month and only then cleared for payment in accordance with the agreed conditions of payment.
 - 6.2 Payment shall be made, if nothing to the contrary has been agreed, by the 25th of the month following the delivery with a 3% discount or net within 90 days. Furthermore, a cash discount is permissible in the event of offsetting counter-claims or retention of payment due to defective goods.
 - 6.3 When a premature delivery is accepted, the agreed delivery date shall be considered as the date of delivery.
 - 6.4 The Supplier is not authorised without our consent to assign his claims against us or to instruct a third party with their collection. This shall not apply in the case of a valid agreement concerning an extended right of title retention by the Supplier.
 - 6.5 We are entitled to make use of the right to offset payment and the right of retention as well as the defence of non-performance of contract to the extent permitted by law. In particular we are entitled to recoup any due payments insofar as we have valid claims against the Supplier based on incomplete or faulty performance. The Supplier has a right of retention and to offset payment only in the event of legally established or undisputed counterclaims.
- 7. Production materials, Supplies**
- 7.1 Materials used in the production process such as models, samples, dies, tools, drawings and similar items made according to our specifications or supplied by us shall neither be sold, given in pledge or otherwise transferred to third parties nor used by them in any way whatsoever without our express permission. The same applies to items developed or further developed on our behalf as well as items produced with the aid of these production materials. Such items must be sent to us without us having to specifically ask unless we have agreed in writing to a different use of them.
 - 7.2 All items of whatever type that we make available to the Supplier remain our property. Such items may be used exclusively for providing the ordered deliverables and services.

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7.3 Insofar as the items made available by us are processed or modified by the Supplier to create a new chattel then we are deemed the manufacturer. If an item is combined with or inseparably integrated into other objects we shall acquire a joint title and ownership of the new objects equivalent to the proportion of the value of the items at the time of combination or integration. If the items are combined or integrated in such a way that the Supplier's property merits consideration as the primary product, it is understood and agreed that the Supplier assigns and transfers to us a pro rata interest in a joint title to such products.

8. Retention of Title

8.1 Ownership of the delivered goods transfers to us upon payment. Any extended or enlarged retention of title of the goods delivered is excluded.

8.2 The Supplier is aware that the goods ordered by us are processed and normally merged into and become part of our products. Thereby any possible reservation of title of the Supplier lapses.

9. Material Defects and Defects of Title; Repeated Faulty Performance

9.1 The Supplier promises and is responsible for ensuring that the goods comply with our specifications and other declarations, such as standards and applicable documents, and shall check the consignment in this respect prior to shipping. The goods shall in all cases comply with the generally accepted technical standards as well as the health & safety and accident prevention regulations, as defined in particular in EU guidelines, EU standards, DIN standards, VDE regulations and other recognised technical regulations. Test certificates and other documents, as stipulated for instance in recommendations and guidelines (e.g. Pressure Equipment Directive 97/23/EG), shall be handed over together with the goods upon delivery without us having to specifically ask for them.

9.2 After receiving the goods we will check during the ordinary course of business whether they comply with the ordered quantity and ordered type and also whether there is any recognisable external transport damage or defect. We are not bound by any deadline with respect to ascertaining and notifying the Supplier of any defects, neither regarding obvious nor concealed defects. Any concealed defects entitle us to claim compensation for material wasted and wages paid as a result of the defect.

9.3 Insofar as it is not possible to come to an agreement with the Supplier we are entitled to have any defects rectified at the cost of the Supplier or, if that is not possible, to stock up with another supplier at the cost of the Supplier.

9.4 Furthermore the Supplier assumes the warranty for his consignment pursuant to the statutory provisions.

9.5 Goods delivered that do not conform with the Contract will be returned at the Supplier's cost and risk. Consignments that are repeatedly delivered not in accordance with the Contract entitle us to withdraw from the Contract subsequent to us giving an unsuccessful warning.

9.6 The Supplier undertakes to indemnify us from all claims, regardless of their legal basis including those arising from manufacturer's liability, which are based on the violation of third party rights relating to the part originating from the Supplier.

9.7 The statutory period of limitation relating to any claims concerning defective delivery is five years starting from the end of the year in which the delivery was made. This period of limitation applies irrespective of whether the delivered item is normally used for a structure and also regardless of whether the delivered item caused the defect in the structure. The duration of the statutory period of limitation shall be suspended for the period that starts with the sending of our notice of defect and ends with implementation of our notice of defect.

9.8 If the Supplier provides deliverables or services of substantially the same or similar nature, which, despite a written warning, are again defective or delayed we shall be entitled to withdraw from the Contract. Our right of withdrawal in this case shall also cover such deliverables and services that the Supplier is obligated to render in the future based on this or any other contractual relationship with us.

10. Duty to Inform and Due Diligence

- 10.1 Insofar as we have informed the Supplier of the intended use of the deliverables or services or if this intended use is evident to the Supplier without express mention then the Supplier is obligated to inform us without delay if his deliverables or services are unsuitable or could be unsuitable for satisfying this intended use.
- 10.2 The Supplier shall notify us in writing without delay of any circumstances that compromise adherence to the agreed delivery deadlines so we can clarify further action.
- 10.3 The Supplier shall inform us in writing without delay of any changes in the composition of the material used or the constructional design compared with previous deliverables or services provided to us. Such changes require our written approval.
- 10.4 The Supplier shall inform us with every delivery of any not generally known special treatment and disposal requirements.
- 10.5 The Supplier shall inform us on his own initiative, even after the warranty period has expired, of any safety-relevant defects detected at a later date based on product observations.

11. Spare Parts and Delivery Readiness

- 11.1 The Supplier is obligated to supply spare parts on reasonable terms for the duration of customary product use, however, at least for a period of ten years from the last delivery of the deliverables.
- 11.2 If after the end of the period indicated in Section 11.1 the Supplier stops the supply of spare parts or during this period the supply of deliverables then he must first give us the opportunity of making a final order.

12. Blanket Orders / Call-off Orders

We are obligated to accept a delivery in respect of both time and scope only insofar as we have requested the goods in writing.

13. Third-party Property Rights

The Supplier guarantees that the products he delivers and the use of them by us does not violate any patents or other property rights of third parties at home and abroad. At our request the Supplier shall hold us harmless with respect to all claims that are made based on or in connection with a violation of property rights of third parties, including the costs of our legal expenses.

14. Confidentiality

- 14.1 The Supplier undertakes to keep confidential any commercial and technical information and documents not generally known in the public domain which are disclosed to him during the course of the business relationship and to use such information exclusively for providing the ordered goods and services. Any sub-suppliers used must likewise be committed to confidentiality.
- 14.2 The Supplier may refer to our company and/or our brands when submitting references or in publications only if we have previously given our written permission for him to do so.

15. Place of Delivery/Performance

Place of delivery/performance for all obligations of both Parties is our business headquarters, provided nothing to the contrary has been agreed in writing.

16. Place of Jurisdiction and Applicable Law

- 16.1 Insofar as the Supplier is a registered merchant the place of jurisdiction – also as regards cheques and bills of exchange – is exclusively Hanover, Germany. The same place of jurisdiction applies if the Supplier does not have any general place of jurisdiction in the Federal Republic of Germany at the time any possible legal proceedings are initiated. We are, however, entitled to take legal action before any court which has competence under the law.
- 16.2 The law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980.

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17. **Data Protection**

The Supplier agrees that we may save company-specific and personal data in connection with the processing of business transactions.
18. **Changes in Writing**

We will confirm in writing without delay any changes made and/or supplements added to the agreements concluded.
19. **Binding Nature of the Contract / Validity of Declarations**
 - 19.1 If any conditions of this Contract, including these General Terms and Conditions of Purchase, or conditions included in it in the future should be partially or entirely legally ineffective or not practicable or should they later lose their validity or practicability, then this shall have no bearing on the validity of the remaining conditions of the Contract. The same applies if it transpires that the Contract contains a gap. In place of the ineffective or impracticable condition or to fill any gap an appropriate condition shall take effect that as far as legally possible most closely approximates the original intention of the Contract Parties or what they would have wanted within the meaning and purpose of the Contract if they had considered the point when this Contract was concluded or when a condition was subsequently added.
 - 19.2 Legally relevant declarations made by the Supplier, e.g. notice of termination or cancellation, or any claims for compensation, must be submitted to us in writing to be effective.