

**Conditions of Purchase of EHRLE GmbH, Industriestraße 3,
89165 Dietenheim, Germany**

1. The following terms and conditions apply to all orders placed by EHRLE with suppliers and other contractors, hereinafter referred to as suppliers.
2. General terms and conditions of the supplier are not accepted unless EHRLE has expressly confirmed them in writing.
3. The relevant content of EHRLE's orders is exclusively their content. Deviations from the order are to be clearly emphasized and, moreover, only valid if they are expressly acknowledged by EHRLE in writing, electronically or by fax. The unconditional acceptance of goods are not deemed consent. Orders placed by EHRLE are revocable if the supplier has not yet accepted them in writing or electronically. The supplier bears the burden of proof for the acceptance of an order.
4. Offers made to EHRLE are always be free of charge. This also applies if the supplier prepares and transmits samples, drafts of samples, sketches or the like.
5. Unless otherwise agreed, delivery (performance) and dispatch are effected free of all expenses at the expense and risk of the supplier at the place designated by EHRLE ("DDP destination" - Incoterms 2000). In principle, the supplier bears all ancillary costs of the service, in particular freight, transport, packaging, any insurance and other ancillary costs, unless expressly agreed otherwise. The supplier bears the material risk until the goods have been accepted by EHRLE or a representative of EHRLE at the place to which the goods are to be delivered in accordance with the order. Section 447 BGB (German Civil Code) does not apply.
6. EHRLE is not obliged to inspect the goods delivered by the supplier without delay and to give notice of any defects without delay. Section 377 of the German Commercial Code (HGB) does not apply.
7. In principle, the supplier must perform the work himself. The transfer of orders received from EHRLE to third parties is only permissible with the express consent of EHRLE in text form.

8. The supplier is not entitled to make partial deliveries unless such deliveries are expressly requested by EHRLE or approved in text form or are reasonable for EHRLE in the individual case, taking into account the circumstances.
9. Delivery periods and dates stated by EHRLE are always binding. The supplier is in default without reminder if the delivery date is exceeded. In the event of exceeding the deadline, EHRLE is entitled to charge 0.5 % of the gross order value per commenced week of exceeding the delivery deadline or exceeding the deadline, but not more than 10 % of the total gross order value as a contractual penalty, without EHRLE requiring concrete proof of damage. EHRLE is entitled to prove and assert higher actual damages, to claim damages for non-performance or to withdraw from the contract. This does not apply if the service is not provided due to a circumstance for which the supplier is not responsible. The supplier is at liberty to prove that EHRLE has suffered less damage.
10. Agreed prices are in principle fixed prices, including all ancillary costs. EHRLE does not accept prices that are subject to change without notice. In case of doubt, the order or order confirmation from EHRLE applies. All invoices issued by the supplier must show EHRLE's order number. If these requirements for the invoices are not fulfilled by the supplier, EHRLE is entitled to assert a right of retention until a proper invoice has been sent.
11. Unless otherwise agreed, the prices are net prices plus the applicable statutory value-added tax.
12. EHRLE is fully entitled to the statutory rights of set-off and retention. The right of set-off and retention applies without restriction to all counterclaims of EHRLE arising from the entire business relationship with the supplier.
13. The delivered goods must be state of the art and comply with EHRLE's order documents and have all warranted characteristics. The supplier is aware that EHRLE is certified according to ISO 9000/9001. The supplier expressly assures that the delivered goods or services fully comply with this EHRLE quality standard.
14. The warranty period is two years and commences upon transfer of risk to EHRLE. If the contract for goods to be delivered by the supplier between EHRLE and a customer is a sale of consumer goods, the warranty period does not commence until the risk has

passed to the customer. A warranty period of 6 years is deemed agreed for all construction services or goods intended for construction services. Any subsequent performance or replacement delivery restarts the warranty period, provided that the defect was not only minor. Payments are generally not implied acceptance.

15. If defects become apparent before or during the transfer of risk or occur during the warranty period, the supplier has to, at its own expense and at EHRLE's option, either remedy the defects or provide a replacement delivery. If EHRLE demands rectification of defects or replacement delivery and if the supplier is in default with the rectification of defects or replacement delivery, EHRLE is entitled, without setting a grace period, to withdraw from the contract in whole or in part or to demand a reduction in price or, at the supplier's expense, to carry out rectification of defects or new production itself or to have them carried out or to demand compensation for damages due to non-performance. The same applies if the supplier finally rejects the removal of defects or the replacement delivery or declares himself unable to do so within a reasonable period of time.
16. In urgent cases, in which EHRLE is under an obligation towards its own customers and otherwise threatens to harm EHRLE, EHRLE is entitled, in deviation from Section 15, to perform subsequent performance at the supplier's expense without setting a deadline and without delay on the part of the supplier. The supplier is obliged to assume the corresponding costs of subsequent performance vis-à-vis EHRLE despite the absence of a deadline and despite the absence of default. Alternatively, EHRLE is also entitled to assert the corresponding reduction without setting a grace period if this is also demanded of EHRLE by the customer.
17. In all cases in which EHRLE has claims for damages, e.g. in the event of rescission, warranty and other breaches of contract, EHRLE shall be entitled to demand lump-sum damages amounting to 10 % of the total order value. If EHRLE misses a customer order due to a breach of contract due to defective or delayed delivery, the lump-sum compensation shall amount to 25 % of the respective order value. Both EHRLE and the supplier are at liberty to prove both higher and lower damages.
18. In the event that EHRLE becomes aware of facts that indicate difficulties in the creditworthiness of the supplier, EHRLE is entitled to withhold 10 % of all services rendered by the supplier for the duration of the warranty period from the warranty of the delivered goods. The supplier may avert the warranty retention by providing security or replace it with a directly enforceable unlimited guarantee.

19. The samples, prototypes, tools, moulds, drafts, drawings etc. from EHRLE must be returned to EHRLE at the latest with the last contractual delivery. They may not be passed on to third parties without the consent of EHRLE, nor may goods manufactured in accordance therewith. Drawings, plans and other documents belonging to the order remain the property of EHRLE. EHRLE reserves all copyrights to the documents.
20. If tools, moulds, samples, drafts, drawings etc. were manufactured by the supplier of EHRLE, EHRLE is entitled to all exclusive rights of use and the copyright to these moulds. This also applies if the aforementioned works are manufactured by the supplier according to specifications or with the cooperation or assistance of EHRLE. Irrespective of the degree of EHRLE's contribution, EHRLE is entitled to the exclusive rights of use to the works.
21. If claims are asserted against EHRLE by a third party because the supplier's delivery violates a legal property right of the third party, the seller undertakes to indemnify EHRLE against these claims at the first request, including all necessary expenses incurred by EHRLE in connection with the claim by the third party and its defence.
22. If claims for damages are asserted against EHRLE by third parties due to a product defect for which the supplier is responsible, the supplier has to indemnify EHRLE upon first request against all claims of third parties, including the costs necessary to defend against these claims, if the cause of the claim lies within the supplier's sphere of control and organisation.
23. The supplier grants EHRLE absolute customer protection. The supplier is prohibited from directly advertising EHRLE's customers, supplying them or competing with EHRLE in any other way.
24. Furthermore, upon acceptance of the first order, each supplier undertakes to treat as strictly confidential all information about EHRLE that it requests in connection with the execution of orders. All information which is recognisably trustworthy and the forwarding of which could cause EHRLE damage are considered confidential.
25. The supplier is liable for slight negligence, gross negligence and intent for himself and his employees. If employees of the supplier carry out work at EHRLE's premises, such work is subject to the provisions of EHRLE's company regulations. EHRLE is only liable

for damage caused to these persons in the event of wilful intent or gross negligence. Excluded from this is liability for damages resulting from injury to life, body or health which are based on a negligent breach of duty by EHRLE.

26. The place of fulfillment and jurisdiction for deliveries and payments, as well as all disputes arising between the parties, insofar as the supplier is a merchant, a legal entity under public law or a special fund under public law, shall be the head office of Ehrle and thus 89165 Dietenheim or the competent court for Dietenheim. Ehrle is also entitled to sue the supplier at its registered office.

27. The legal relationship between EHRLE and the Supplier is governed by German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).