



GENERAL CONDITIONS OF PURCHASE OF WEBER-HYDRAULIK GROUP

Version 14.1

The following General Conditions of Purchase of WEBER-HYDRAULIK Group apply to all companies of WEBER-HYDRAULIK Group, which have their domicile in Germany or Austria. These companies are listed on the website www.weber-hydraulik.com. As far as in the following General Conditions of Purchase the words “we”, “us” or “our” etc. appear these refer always to the company of WEBER-HYDRAULIK Group which has placed the order with the supplier.

§ 1 General, Scope of Agreement

1. Our conditions of purchase apply exclusively; contradictory conditions or conditions differing from our conditions of purchase issued by the supplier are not accepted, unless the applicability thereof was explicitly confirmed in writing by us. Our conditions of purchase shall also apply, if we accept delivery from the supplier without reservations and in full awareness of other conditions issued by the supplier, which may deviate from our own conditions of purchase.
2. All agreements that are made between us and the supplier regarding the execution of this contract are to be specified in writing.
3. Our conditions of purchase only apply to contractors as according to § 310 Sect. 4 BGB [Civil Code] and to public authorities.

§ 2 Quote, Offer Documents

1. Our offers are deemed to have been refused if the supplier does not accept same within 7 working days beginning with the receipt of our order in writing or by e-mail or telefax.
2. All intellectual property and copyrights to images, drawings, calculations and other documentation are reserved; these may not be made available to third parties without our explicit written permission. These are to be solely used for the manufacturing of our order; after execution of the order, these are to be returned to us without further solicitation.
3. These are to be kept confidential from third parties, insofar the provision in § 9 Sect. 4 is supplementary.

§ 3 Prices, Terms of Payment

1. The price as shown in the order is deemed binding. In the absence of other written agreement, the price is understood to include delivery free to the door including packaging. The return of the packaging requires special agreement.
2. The legal value added tax is not included in the price.
3. Invoices are only processed if these mention the order number as per the specifications in our order; the supplier is deemed responsible for all consequences arising out of the failure to meet this obligation, unless the supplier is able to establish that he is not at fault.
4. We settle the purchase price within 14 days from delivery and receipt of the invoice, unless agreed otherwise, with 3% early payment discount or within 60 days after receipt of invoice at net value.

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LEADERSHIP IN HYDRAULIC SOLUTIONS

Kreissparkasse Heilbronn
Commerzbank Heilbronn
Volksbank im Unterland
Deutsche Bank Stuttgart

SWIFT/BIC: HEISDE66
SWIFT/BIC: DRESDEFF620
SWIFT/BIC: GENODES1VLS
SWIFT/BIC: DEUTDESS620

IBAN: DE37 6205 0000 0005 7848 33
IBAN: DE61 6208 0012 0702 0417 00
IBAN: DE75 6206 3263 0015 2630 02
IBAN: DE53 6207 0081 0015 9160 00

Sitz der Gesellschaft: Güglingen, Amtsgericht Stuttgart
HRB 320 054, Ust-IdNr.: DE 145 786 047
Geschäftsführer: Christine Grotz, Frank Klebedanz
Ralf Schlich
Vorsitzender des Aufsichtsrates: Werner P. Schlecht

5. We retain rights to offset and withhold as per the legal prescription.

§ 4 Terms of Delivery

1. The delivery time as shown in the order is deemed binding.
2. The supplier is committed to immediately inform us in writing when circumstances arise or become apparent to him, which may result in the failure to meet the stipulated time of delivery.
3. In case of default of delivery, we are entitled to the legally prescribed claims. Specifically, we are entitled to demand damages instead of performance of delivery after the ineffectual expiry of an appropriate deadline. Should we demand damages, then the supplier has the right to prove that he was not responsible for the breach of duty.
4. If the supplier is in default of delivery we are further entitled to claim for each week of delay a contractual penalty in an amount of 0,5% of the order value (without value added tax). This contractual penalty, however, shall be limited to 5% of the entire order value (without value added tax). Such contractual penalty is to be set off against eventual damages resulting from the delay of delivery.

§ 4 a) Quality Documentation

1. The supplier is to meet the generally recognized codes of practice, the safety regulations and the agreed technical specifications for his deliveries. He guarantees to meet the WEBER-HYDRAULIK GMBH "Guidelines for Quality Assurance of Deliveries", which are to be made available to him free of charge at any time.
2. The supplier shall keep proper records with regards to his compliance with our guidelines for quality maintenance for suppliers and of all arrangements made in this respect. We are authorized to inspect compliance with such guidelines at the premises of the supplier after having notified the supplier in writing during normal working hours.

§ 5 Transfer of Risk, Documents

1. The delivery is to take place free to the door, unless agreed otherwise in writing. Risk shall pass to us upon delivery at our premises. The supplier shall maintain a proper transport insurance.
2. The supplier is committed, to specify our exact order number on all shipping documents and delivery notes; if he fails to do so, then we are not at fault for delays in the processing thereof.
3. With the discontinuation of the SVS / RVS [Insurance Terms] as of the 30th of June 1998, previous declarations of the waiver / partial waiver of insurance are not valid any longer. Since the First of July 1998, we waive freight insurance as part of the freight forwarding contract.

§ 6 Inspection for Defects, Guarantee

1. § 377 HGB (German Commercial Code) shall expressly not apply. We are only obliged to examine the goods delivered by the supplier whether there are easily recognizable defects and damages and furthermore we shall examine the quantity of the delivered goods. We will notify within 7 days the supplier in writing or by e-mail or telefax of defects or missing quantities which we detected. If we become aware of defects at later point of time we shall notify the supplier of such defects within 7 days since we have become aware of the defect in question.

2. The supplier shall maintain a proper exit control, whereby we are authorized to give instructions to the supplier in this respect at our fair discretion. Supplier shall keep proper records of this exit control and its results. We shall have the right to examine during normal business hours at the premises of the supplier the control arrangements and their documentation after having notified supplier in writing.
3. If we detect a defect of the delivered products we shall be entitled to claim an amount of € 100,00 for the examination of the product and for the preparation of the examination report. This shall not prevent us from claiming higher cost for the examination of defective products if we are entitled to claim damages.
4. §§ 437 ff BGB shall apply unrestrictedly. In accordance to these provisions we shall have the right to reduce the purchase price, to rescind the purchase contract and to claim for damages. Any claims we may have under §§ 437 ff BGB based on defects of delivered products shall be barred by statutory limitation within 36 months starting with the transfer of risk.
5. We are authorized to repair the defect ourselves at the costs of the supplier, if the supplier refuses seriously and finally or if there are special circumstances which justify that we do not set a deadline for the repair of the product (see § 323 Sec. 2 BGB). We have the right to repair such defects ourselves at the costs of the supplier only if the costs of the repairs do not exceed our damage which has to be expected if such repair is not carried out.

§ 7 Product Liability, Release, Indemnity Insurance

1. If third parties should raise claims for damages against us based on product liability the supplier shall hold us harmless upon the first request against such claims of third parties, if the existing or alleged defect has been caused by the products supplied by the supplier or if the supplier failed to advise us of potential risks which are connected with the use or integration of the products supplied by the supplier in other product. The applicability of § 254 BGB shall not be excluded.
2. If we recall products in order to avoid a product liability and if the conditions of the foregoing section apply, the supplier shall also reimburse us for all costs which result from such a recall action.
3. The supplier commits to maintain general product liability insurance with a cover of € 10 million per incident of damage to persons or property; if there are further claims for damages due to us, these remain intact.

§ 8 Protective Rights of Third Parties

1. The supplier guarantees that no industrial property rights of third parties are violated in the Federal Republic of Germany by the products delivered by the supplier.
2. If third parties raise such claims against us in this context, then the supplier is committed to indemnify us against such claims upon our first written demand; we are not entitled to enter into agreements with said third party regarding such claims without the assent of the supplier, this includes in particular the agreement upon a settlement.
3. The indemnity bond of the supplier applies to all expenses, which necessarily arise from or in the context of claims from third parties.
4. The period of limitation shall be to 10 years from the conclusion of contract.

5. § 254 BGB shall apply.

§ 9 Retention of Title, Supplies, Tools, Confidentiality

1. Insofar as parts are made available to the supplier, we reserve all property rights to the object. Processing and reworking are to be conducted by the supplier on our behalf. If our parts, which are subject to the retention of title, are processed together with items that are not in our possession, then we shall attain co-ownership of the new goods to be processed as a proportion of the value of our parts (price of purchase plus value added tax) in relation to the other goods at the time of processing.
2. If the parts provided by us are inextricably compounded with other goods that are not in our possession, then we shall attain co-ownership of the new goods as a proportion of the value of the goods that are subject to the retention of title (purchase price plus value added tax) in relation to the other compounded parts at the time of the interfusion. If the compounding takes place in such a manner that the parts of the supplier are to be regarded as the principal item, then it is deemed to be agreed that the supplier is to transfer partial ownership to us; or that the supplier retains the sole ownership or co-ownership on our behalf.
3. We retain the title to all tools; the supplier is committed to only utilize the tools in the production of the goods ordered by us. The supplier is committed to insure our tools at replacement value against fire damage, water damage, and theft at his own expense. At the same time, the supplier assigns all claims for compensation from this insurance to us at this point; we hereby accept the assignment. The supplier is committed, to conduct required maintenance and inspection works to our tools as well as all reinstatement and repair works in good time and at his own expense. We are to be immediately notified of eventual incidents; if he culpably fails to do so, the claims for damages shall remain intact. The supplier shall return to us to tools which are our property upon first demand. The supplier shall have no right of possession regarding to such tools. Supplier shall not have the right to retain such tools for whatever reason.
4. The supplier is committed, to keep strictly confidential all received diagrams, drawings, calculations and other documents and information. These must only be made available to third parties upon our explicit permission. The confidentiality clause also continues to be in force after execution of this contract; it expires, once and insofar as the production technology contained in the conveyed diagrams, drawings, calculations and other documents has become general knowledge.
5. As far as the security interests due to us as according to Section 1 and/or Section 2 exceed the purchase price of all unpaid goods subject to retention of title by more than 10%, we are obligated to release of the security interests of our choice upon the of the supplier.

§ 10 Jurisdiction, Place of Fulfillment, Applicable laws

1. If the supplier is a commercial enterprise the court at the principal place of business of the company of WEBER-HYDRAULIK Group which has placed the order shall have exclusive jurisdiction. We may also, however, file a lawsuit with the court at the principal place of business of the supplier.



2. Place of fulfillment for obligations resulting out of the business relationship is the principal place of business of the company of the WEBER-HYDRAULIK Group which has placed the order.
3. All contracts between us and the supplier are subject to the material law or the state in which the company of the WEBER-HYDRAULIK Group which has placed delivery order, has its principal place of business, excluding rules of the International Private Law and excluding the regulations of the CISG.