

Terms of Purchase (ToP) of Schrauben-Jäger AG

March 2011

1 Application: Our ToP exclusively govern all of the products, services (hereinafter referred to as "Products") and offers provided by our supplier. These ToP form part of all contracts that we conclude with our suppliers regarding the Products that they offer; they only apply vis-à-vis entrepreneurs [Unternehmer] within the meaning of German Civil Code [BGB] § 310 (1). These ToP apply even if not specifically referenced.

The supplier's or third parties' terms and conditions shall not apply, even if we do not object to them separately. They do not become part of the contract even if we take delivery of our Products.

2 Contract: The supplier must keep its offer open for four weeks. The supplier's offer must conform to our inquiry as to the quantity, quality and execution; any deviation must be expressly identified as such. The order must be confirmed in writing forthwith. We may cancel our order if we do not receive the order confirmation forthwith. If the order confirmation has different terms than the purchase order, we will only be bound if we consent to the change in writing. The order confirmation must show, without limitation, the delivery date, the order quantity, our purchase order number, the packaging unit and the article name. Paying for or taking delivery of Products does not indicate consent.

We may request modifications to the contract even after the contract is formed, provided they are reasonable for the supplier. The impacts of any contract modifications on both parties should be reasonably taken into account, particularly with respect to cost increases or decreases and delivery dates. We must be notified immediately of any price increases caused by changes in order execution; price increases require our written consent before order execution.

The supplier may not outsource all or significant parts of our order, assign rights granted hereunder to third parties or change the production location without our prior written consent. This does not apply to assignments of money claims. If we grant consent, the supplier remains liable for performance hereunder. We are entitled to assign rights granted hereunder to third parties.

3 Prices / payment: The price stated on the purchase order is binding. Unless otherwise agreed, the price covers delivery "free domicile", including transportation and payment of customs duties.

The prices are deemed to be irrevocable until the contract is performed in full, unless prices decrease in our favor. If the supplier's prices on its price list decrease after the order is placed but before the payment deadline, the price decrease will also apply with respect to us. The supplier must notify us of the decrease and prove its amount in case of a dispute.

Unless otherwise agreed, we will pay within 60 days net or within 14 days with a 3 % prompt payment discount after receiving the invoice and the entire shipment of Products. Payment does not constitute acknowledgement that the Products are as contracted.

We have rights of set-off and retention to the extent allowed by law, even with respect to claims held by or against our affiliated companies. The supplier may only exercise a right of set-off or retention if its claims against us are undisputed or upheld by final and absolute judgment. Claims against us may only be assigned with our prior written consent. German Commercial Code [HGB] § 354a remains unaffected thereby.

4 Delivery: Agreed-upon delivery times are binding. Unless otherwise agreed, delivery must be made free domicile. Partial or early deliveries are not allowed, unless we have expressly agreed to them in writing.

The supplier may plead that we have failed to provide necessary documents, data, accessories, etc. as required if and only if the supplier has issued a written reminder, but not received the items within a fair and reasonable period. The supplier may not condition its deliveries on delivery by its own suppliers.

Delivery times refer to the time of the handover at the receiving point specified by us. Delivery is only deemed timely if the supplier also hands over the documentation required by law and contract, e.g. approvals and permits, inspection reports, certificates of conformity, DIN safety data sheets, et cetera.

The supplier must notify us forthwith in writing of any possible delay in delivery. Our acceptance of a delayed delivery does not constitute a waiver of claims for damages.

If delivery is made early, we reserve the right to return the shipment at the supplier's expense. If delivery is made early and we do not return the shipment, we will store the Product at the supplier's risk and expense until the stipulated delivery date. If delivery is made early, we furthermore reserve the right not to make payment until the stipulated due date.

If the delivery is delayed, we are entitled to demand compensation for the delay amounting to 1 % for each whole or partial week of the delay, but totaling no more than 5 % of the delivery value of the Products affected by the delay; this is without prejudice to other legal remedies and claims. The supplier is entitled to prove that no or significantly lower damages were incurred.

We are entitled to withdraw from all or part of the contract or suspend performance without being liable to the supplier for claims if force majeure, strikes or other circumstances beyond the supplier's control make performance hereunder wholly or partially impossible within the stipulated delivery time.

We must be given reasonable advance notice of any and all transport costs so we can have the Products collected ourselves if we prefer. If we have agreed to ex works pricing from the supplier's factory / distribution center, or if we agree to pay carriage, the shipment must be transported either at the lowest possible cost at the time or as set forth in the corresponding routing order. If we have agreed to bear costs separately, packaging must be billed at cost.

If we are the freight payer, the forwarder must be notified that we are exempted from, and do not accept any amounts charged for, cartage and forwarding insurance (RVS/SVS) under the German Forwarders' Standard Terms and Conditions (ADSp) § 39.

Deliveries of 5 pallets or more must be announced 1-2 days prior to delivery.

We may reject deliveries if they fail to satisfy the following requirements:

-Packaged on clean 800x1200 mm Euro pallets in "like new" condition, furnished with the necessary pallet identification

- Pallets are secured (stretch-wrapped, shrink-wrapped, stacking frames or covering box) and

packaged without any overhang

- Max. total height: 0.7m, including Euro pallet / load carrier

- When packaging several product types on a single pallet, the type with the largest footprint must be stacked at the bottom

- The proper shipping, freight and accompanying papers / delivery notes / packing lists and documentation, if appropriate, must be included

If the delivery fails to comply with the above requirements and is rejected, the delivery is deemed not to have been made. The supplier will then be in default.

The supplier's obligation to take back the packaging is governed by law.

5 Defects: The supplier delivers the Products without any defects as to title or quality and particularly in compliance with relevant environmental standards and regulations and the current state of the art for the locations where the supplier knows the Products will be used. The supplier guarantees compliance with all technical data, quality assurance instructions, specifications and quality standards, including, but not limited to, those stipulated by us. The same applies to regulations regarding import and export, particularly customs regulations. The supplier will furnish proof thereof free of charge on request.

We can assert all statutory rights and remedies without limitation at our option if the goods are defective. We expressly reserve the right to claim damages, including, but not limited to, damages in lieu of specific performance. The deadline for notifying the supplier of defects is 2 weeks from the handover of the Products at the receiving point specified by us, or from the delivery date agreed upon in writing, whichever comes later. Accepting or approving samples or specimens does not constitute a waiver of any warranty claims.

The supplier must pay all necessary costs incurred to cure defects, including, without limitation, transportation, labor and materials costs.

If the supplier's bankruptcy occurs or appears imminent, we are entitled to retain fair and reasonable security for the duration of the relevant defect-curing periods.

The period of limitation for our claims is 36 months after all the Products have been shipped. The period of limitation will be suspended while the supplier attempts to repair the defective Products. This does not apply to goodwill gestures by the supplier or entirely insignificant defects.

6 Liability: The supplier is liable to us for any faults, including those committed by its representatives and agents. It may not limit or restrict its liability.

If we are sued in connection with the Products or under product liability laws, the supplier will hold us harmless to the extent it would be directly liable. This also applies if we are held liable for subsequent changes made to the supplier's advertising claims or product descriptions. This is without prejudice to any other rights to remedies over.

The supplier will bear all costs incurred in connection with recalls attributable to it (including, without limitation, selection costs). The supplier must maintain adequate liability insurance coverage. The supplier will obtain a reasonable amount of insurance coverage for all product liability risks, including the risk of recall. The supplier will furnish proof thereof on request.

7 Title: We acquire title to the Products upon payment. The supplier vouches that no third parties hold retentions of title or any other rights which interfere with our title to the Products. The supplier must expressly notify us if this is not the case.

The supplier may only retain title in respect of our payment obligations for the relevant Products. A retention of title may not be expanded ["erweitert", covering other goods under an open balance] or extended ["verlängert", covering new goods manufactured from the supplier's goods].

Pallets and means of transport provided by us remain our property and must be returned without prompting.

8 Non-disclosure / property rights: If copyrights and/or industrial property rights accrue to the supplier, the supplier will grant us a perpetual, exclusive, irrevocable right of use and exploitation.

The supplier agrees to hold in strict confidence, and to use only for filling the order, all the contents of the contract, including, but not limited to, prices, discounts, know-how and other business secrets, as well as all business and technical information, documentation, drawings, product descriptions, data sheets, sketches, samples or other documents ("Documents") that may have been provided or commissioned. The non-disclosure obligation will survive the termination or expiration of the contract. This does not, however, apply to content which is publicly known without violating the non-disclosure obligation. We reserve ownership rights and/or copyrights in and to the Documents.

No Documents or contents of this contract may be made available to third parties without our prior express written consent. The third parties must be notified of the ownership rights and copyrights and bound to secrecy in writing. After the order is filled or if no contract is formed, the supplier must return all Documents and copies to us and delete all stored data, unless it is required by law to retain them. In this case, it must return / delete these items after the retention period expires.

The supplier may not refer to its business relationship with us, including, without limitation, for purposes of advertising, without prior written consent.

9 Final provisions: These provisions also apply to companies affiliated with the supplier within the meaning of German Companies Act § 15 [AktG]. The supplier must bind its affiliated companies to observe these provisions.

Should provisions of these ToP be or become invalid, the validity of the remaining provisions will be unaffected thereby. Amendments and modifications hereto that are not based on an individual agreement must be made in writing. This also applies to a waiver of the written form requirement.

These ToP are governed by the laws of Germany, exclusive of the provisions of the UN CISG. The place of our registered office is the place of performance, unless otherwise indicated by the purchase order. If the supplier is a commercial enterprise, the place of our registered office is the exclusive place of jurisdiction. We are, however, also entitled to file suit against the supplier at the court that has jurisdiction over the place of the supplier's residence.