

**The General Terms and Conditions of Purchase and Delivery of the Schürholz companies (Schürholz GmbH & Co. KG)**

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## 1. Scope of application

These Terms and Conditions of Sale are applicable to all (delivery) framework agreements (hereinafter "Agreements") and all individual agreements and/or orders within the framework of an Agreement (hereinafter "Individual Agreements") with businessmen, legal persons under public law, and separate estates under public law (hereinafter "Partner(s)"). Our deliveries and performances are made solely on the basis of these Terms and Conditions of Sale. They are also applicable to all future orders and contractual relationships between us and the Partner. The T&Cs of the Partner shall not be applicable unless explicitly approved by us.

## 2. General provisions

The Contract Partners shall confirm oral agreements immediately in writing in each individual case. Insofar as the written form is stipulated or demanded in these Terms and Conditions of Sale, the text form (Sec. 126b BGB (German Civil Code)) shall be sufficient for satisfying the requirement of the written form. Orders are only binding once we provide an order confirmation. The information and illustrations contained in prospectuses and catalogues are industry-standard nutritional values, unless explicitly indicated by us as binding. We are entitled to reject even such delivery schedules and orders of the Partner which are issued on the basis of Agreements, and to refuse to fulfil or extend existing Agreements and Individual Agreements, if it becomes evident that our claim for payment would be at risk due to insufficient solvency of the Partner. This is the case in particular if the creditworthiness of the Partner of Euler Hermes is rated as "High Risk" (Grade 7) or worse, if and insofar as the insurance sum provided to us by our trade credit insurer in order to hedge our receivables owed by the Partner would be exceed upon accepting the delivery schedule or order, or if our excess in the case of losing a Partner receivable after conclusion of the Agreement or Individual Agreement is increased by our trade credit insurer by more than 4 percentage points compared to our excess at time of conclusion. The regulations under Sec. 6, Sec. 25, Sec. 39 and Sec. 321 BGB, and other legal rights to refuse performance and rights of retention are not affected. We are entitled to terminate Agreements and Individual Agreements without notice if there exists good cause. Good cause exists in particular if it becomes evident after conclusion of contract that our claims to payment, as established under the Agreement, are at risk due to insufficient solvency of the Partner – Sec. 5(2) applies accordingly – and the Partner fails to credibly ensure his solvency within an appropriate period despite being urged to do so. The regulations under Sec. 25 and Sec. 39, and other legal rights to termination and withdrawal are not affected.

Should individual elements of these Terms and Conditions of Sale be or become ineffective, this shall not affect the validity of the remaining provisions.

## 3. Long-term and on-call contracts, price adjustments

We may terminate such Agreements and Individual Agreements which are open-ended or have a term of more than 2 years ("Long-Term Agreements") by giving notice of 6 months at month-end. If, in the case of Long-Term Agreements (Agreements with a term of more than 6 months and open-ended Agreements), a significant change in salary, material, or energy costs occurs, each Contract Partner shall be entitled to demand an appropriate adjustment of the price, taking these factors into account. If no binding order volume is agreed, then we shall base our calculation on the non-binding order volume expected by the Partner for a specific period of time (target volume). If the Partner claims less than the target volume, we shall be entitled to increase the unit price appropriately. If he claims more than the target volume, we shall reduce the unit price appropriately, insofar as the Partner has notified his additional need at least 4 months before delivery. In the case of on-call delivery agreements, binding volumes must be disclosed to us at least 5 months before the date of on-call delivery, unless otherwise agreed. Additional costs caused by a failure to call a volume in good time or by subsequent changes made by our Partner to the call with respect to time or volume shall be borne by the Partner; our calculation shall be decisive.

## 4. Confidentiality

Each Contract Partner shall use all such documents (including also samples, models, and data) and knowledge which he obtains from the business relationship solely for those purposes which both Partners are pursuing, and shall keep such confidential with respect to third parties with the same level of diligence as for his own equivalent documents and knowledge if the other Contract Partner has designated such as confidential or has a clear interest in such being kept confidential. This obligation begins upon first receipt of such documents or knowledge, and ends 36 months after the business relationship ends. This obligation does not apply to documents and knowledge which are generally known, which were already known to the Contract Partner upon receipt without him being obliged to observe confidentiality, which are subsequently transmitted by a third party who is entitled to pass on such, or which were developed by the receiving Contract Partner without exploiting such documents or knowledge of the other Contract Partner which must be kept confidential. The regulations of the German Act on Protection of Business Secrets (GeschGehG) are not affected.

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### 5. Drawings and descriptions

If one Contract Partner provides the other with drawings or technical documents regarding the goods to be delivered or the manufacture thereof, these shall remain the property of the providing Contract Partner.

### 6. Samples and manufacturing equipment

The costs for manufacturing samples and manufacturing equipment (tools, shapes, templates etc.) shall be invoiced separate from the goods to be delivered, unless otherwise agreed. This also applies to manufacturing equipment which must be replaced due to wear and tear. We shall bear the costs for the maintenance and proper storage of, as well as the risk of damage to or destruction of the manufacturing equipment. If the Partner suspends or ends the cooperation during manufacture of samples or manufacturing equipment, all manufacturing costs incurred by such time shall be borne by him.

The right of ownership over manufacturing equipment which we manufacture or procure ourselves only transfers to the Partner upon complete payment.

The manufacturing equipment shall remain in our possession until the delivery agreement has been executed, even if the Partner has paid for it. The Partner is thereafter entitled to demand provision of the manufacturing equipment if an amicable regulation has been agreed regarding the time of provision, any manufacturing costs to be reimbursed have been paid in full, and the Partner has fulfilled his contractual obligations in full. We shall store the manufacturing equipment free of charge for three years after the most recent delivery to our Partner. Thereafter, we shall urge our Partner in writing to express his wish for further use within 6 weeks. Our storage obligation ends if no statement is made or new order submitted within these 6 weeks. We may only use customer-related manufacturing equipment for deliveries to third parties with the prior written consent of our Partner.

### 7. Prices

Our prices are understood as euro prices excl. VAT, postage and packaging, delivery charges, and insurance.

### 8. Terms of payments

All invoices are due net with a 2% discount within 14 days of the invoice date, or in full within 30 days. If we have indisputably delivered partially defective goods, our Partner shall nevertheless be obliged to pay for the non-defective part of the delivery, unless the partial delivery is of no interest to him.

Otherwise, the Partner may raise claims to compensation of costs for remedying defects or completion; other counter-claims may only be raised if they have been established with legal effect, are ready for a decision, or are uncontested. Moreover, any right of the Partner to retention or to refuse performance shall exist within these limits only.

If the due date is not met, we shall be entitled to invoice default interest to the amount of 3% above that rate which the bank charges us for overdraft facilities, and at least the statutory default interest and flat rates pursuant to Sec. 288(2),(5) BGB. In the event of default, we may suspend fulfilment of our obligations until receipt of payments provided we inform the Partner in writing beforehand. Bills of exchange and cheques shall be accepted subject to agreement only and only on account of performance, and subject to their being discountable. Discount charges shall be charged from the date, on which the invoice is due. A guarantee for timely presentation of the bill of exchange and cheque, and for the raising of bill protests is excluded.

If it becomes evidence after conclusion of contract that our claim to payment is at risk due to insufficient solvency of the Partner, then we may refuse performance and set an appropriate period of time for the Partner, in which he shall pay gradually against delivery or provide security. If the Partner refuses or if this deadline expires without success, we shall be entitled to withdraw from the Agreement and demand damage compensation.

### 9. Delivery

Unless otherwise agreed, we deliver "ex works". Adherence to the delivery time or delivery deadline shall be defined according to our notice of readiness for delivery/collection. The delivery period begins when we send our order confirmation and is extended appropriately if the conditions set out under Sec. 15 exist. Partial deliveries are permitted to a reasonable degree. These shall be invoiced separately. Over deliveries or short deliveries caused by production shall be permitted within a tolerance of up to 10 per cent. The total price shall be amended according to the extent thereof.

### 10. Postage and transfer of risk

Goods notified as ready for delivery shall be accepted by the Partner immediately. Failing this, we shall be entitled, at our own discretion, to either send such or to store such at the risk and expense of the Partner. In the absence of a special agreement, we shall choose the means and route of transport. The risk shall transfer to the Partner upon handover to the railway company, haulier, or freight carrier, or upon the start of storage and no later than upon the goods leaving the works or warehouse, including in the event that we have assumed responsibility for delivery.

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### 11. Delivery delays

Delivery times stated are non-binding unless such were explicitly confirmed by us in writing as "binding delivery time", or agreed as binding.

If we are able to foresee that the goods cannot be delivered by the delivery deadline, then we shall notify the Partner immediately in writing, informing him of the reasons for such and of the foreseeable time of delivery where possible. If the delivery is delayed due to one of the circumstances listed under Sec. 15 or due to an action or omission of the Partner, then the delivery deadline shall be postponed according to the circumstances. The Partner is only entitled to withdraw from the Agreement if we are liable for the failure to adhere to the delivery time, and he has set a grace period for us without success.

### 12. Retention of title

We retain the title to the goods delivered until settlement of all receivables from the business relationship with the Partner. The Partner is entitled to dispose of these goods in the course of ordinary business provided he fulfils his obligations from the business relationship with us in good time. However, he may not pledge these reserved goods or assign such as security. He is obliged to secure our rights in the event of a credited resale of the reserved goods. In the event that the Partner breaches his obligations, and in particular in case of default, we shall be entitled to withdraw from the Individual Agreement and reclaim the goods after setting the Partner an appropriate period for performance without success; the legal provisions on the dispensability of a grace period are not affected. The Partner is obliged to release the goods.

We are entitled to withdraw from the Agreement if an application is submitted to initiate insolvency proceedings for the assets of the Partner.

The Partner hereby assigns to us by way of security all rights and receivables from the sale or, where permitted, leasing of goods, to which we are due a right of ownership. We hereby accept this assignment. The Partner shall always undertake any processing or machining of the reserved goods for us. If the reserved goods are machined or mixed inseparably with other items which do not belong to us, then we shall acquire co-ownership of the new object at the ratio of the invoice value of the reserved goods to the other machined or mixed items at time of machining or mixing. If our goods are connected or inseparably mixed with other movable items to form a single object, and if the other object shall be considered the primary object, then the Partner shall transfer co-ownership to us proportionately, insofar as the primary object belongs to him. The Partner shall safeguard ownership or co-ownership for us. In all other cases, the same provisions as apply for the reserved goods shall apply for the object produced through machining, connecting or mixing. The Partner shall inform us immediately of third-party enforcement measures against the reserved goods, the receivables assigned to us, or other securities, stating the documents required for an intervention. This also applies for other kinds of impairments.

If the value of the existing securities exceed the secured receivables by a total of more than 10 per cent, then we shall be obliged to release securities in this regard, at our discretion, upon demand of the Partner.

### 13. Material defects

The condition of the goods shall be in line with the agreed technical delivery specifications only. If we are required to deliver according to drawings, specifications, samples etc. of our Partner, the latter shall assume the risk of suitability for the intended use. The time of transfer of risk pursuant to Sec. 10 shall be decisive with regards to the contractual condition of the goods. When making our deliveries, we comply with the legal regulations of the European Union (EU) and the Federal Republic of Germany as are applicable at such time. For example, this applies where relevant to the REACH Regulation (Regulation EC no. 1907/2006), the German Electrical and Electronic Devices Act (ElektroG), the German Electrical and Electronic Devices Materials Regulation (ElektroStoffV) and Scrapped Car Regulation (AltfahrzeugV) as the German implementations of the EU Directives 2011/65/EU (RoHS 2), 2012/19/EU (WEEE Directive), and the EU Directive 2000/53/EC.

We shall inform the Partner of relevant changes to goods, and to their deliverability, range of applications, or quality, in particular such as are caused by the REACH Regulation, and shall in each case agree on suitable measures with the Partner.

For material defects which arise due to improper or unsuitable use, incorrect installation or commissioning by the Partner or a third party, usual wear and tear, or incorrect or negligent handling, we shall bear only such liability as we bear for the consequences of improper modifications or reconditioning works, or such works undertaken without our consent, of the Partner or a third party. The same applies for defects which reduce the value or suitability of the goods only insignificantly. The maturation of material defect claims shall be in line with the law, or such shall mature after 12 months, unless otherwise agreed. This shall not apply insofar as the law stipulates longer periods as mandatory, in particular for defects in a structure or goods which, according to their usual manner of application, are used for a structure and which have caused the defectiveness of the same.

Clause 1 does not apply to damages due to loss of life, physical injury, or damage to health, or such caused by wilful intent or gross negligence or any other breach of material contractual obligations (that is, obligations which must be fulfilled in order for it to be possible to execute the contract properly, and the adherence to which the Contract Partner regularly trusts in and may trust in) on the part of our legal representatives or management employees, or to any obligation to compensate such expenditure which is necessary for the purposes of supplementary performance according to Sec. 439(3) BGB. Rights of the Partner to a warranty presume that he has properly fulfilled his duties to inspect and make a complaint with respect to a defect according to Sec. 377 HGB (German Commercial Code).

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If acceptance of goods or initial sample inspection has been agreed, the making of a complaint with respect to defects which the Partner could have identified if he had conducted careful acceptance or initial sample inspection is excluded. We shall be given the opportunity to establish the defect being complained of. Rejected goods shall be sent back to us immediately upon request; we shall assume costs for transportation if the complaint of defect is justified. If the Partner fails to fulfil these obligations, or makes modifications to goods that have already been rejected, he shall forfeit any right of complaint with respect to material defects. In the event of justified, timely complaints of defects, we shall remedy the rejected goods or deliver a defect-free replacement at our own discretion. If we fail to fulfil these obligations, or do not fulfil such contractually within an appropriate period, then the Partner may set a final deadline for us in writing, by which we must have fulfilled our obligations. Once this deadline expires without success, the Partner may demand a reduction in price, withdraw from the Agreement, or undertake the necessary improvements himself or have such undertaken by a third party at our risk and expense. Reimbursement of costs is excluded insofar as expenditure increases because the goods have been brought to another location after our delivery, unless such corresponds to the conventional use of the goods.

Claims of the Partner to legal recourse against us shall exist only insofar as the Partner has not made any agreements with his customer which go beyond the legal defect claims. Sec. 50, final clause also applies regarding the scope of claims to recourse.

### 14. Other claims, liability

Unless otherwise stated below, other and further claims of the Partner against us are excluded. This applies in particular to damage compensation claims on the grounds of breach of obligations under contract and action in tort. We are therefore not liable for damages which are not incurred by the delivered goods themselves. Above all, we are not liable for lost profit or other financial losses of the Partner. The above limitations of liability do not apply in case of wilful intent or gross negligence on the part of our legal representatives or managing employees, or in case of culpable breach of material contractual obligations, that is, such obligations which must be fulfilled in order for it to be possible to execute the contract properly, and the adherence to which the Contract Partner regularly trusts in and may trust in. In case of culpable breach of material contractual obligations, we are liable for such logically foreseeable damages as are typical of the contract only - except in cases of wilful intent or gross negligence on the part of our legal representatives or managing employees. The limitation of liability furthermore does not apply in those cases where, according to the German Product Liability Act (Produkthaftungsgesetz), there exists liability for personal or material damages to privately used items due to errors in the goods delivered. It also does not apply in case of loss of life, physical injury, or damage to health, or in case of a lack of guaranteed properties if and insofar as such a guarantee was specifically aimed at protecting the Partner against damages which are not caused to the delivered goods themselves. Finally, the limitation of liability equally does not apply if we have concluded a purchase agreement with the Partner and are obliged to reimburse such expenditure as is necessary for supplementary performance according to Sec. 439(3) BGB.

Insofar as our liability is excluded or limited, this shall also apply for the personal liability of our managers, employees, colleagues, legal representatives, and agents. The legal regulations on burden of proof are not affected.

### 15. Force majeure

Force majeure, industrial disputes, civil unrest, armed conflicts, terror attacks, administrative measures, failure of our suppliers to deliver, epidemics, and other unforeseeable, unavoidable, and serious events shall release the Contract Partners from their performance obligations for the duration of the disruption and to the extent of the impact thereof. This shall also apply if these events occur at such time as the affected Contract Partner is in default, unless he has caused such default wilfully or through gross negligence. The Contract Partners are obliged to provide the necessary information immediately, within what is reasonable, and to adapt their obligations to the new circumstances in good faith.

### 16. Place of fulfilment, place of jurisdiction and applicable law

Unless otherwise agreed, place of fulfilment is our registered office. Place of jurisdiction for all disputes, including within the context of a bill of exchange and cheque process, is our registered office. We are also entitled to bring an action at the registered office of the Partner. The contractual relationship is subject to the law of the Federal Republic of Germany only. Application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.

These Terms and Conditions of Sale and Delivery are valid for:

Schürholz GmbH & Co. KG Stanztechnik  
Industriestraße 9  
58840 Plettenberg Germany

Schürholz GmbH & Co. KG Blechbearbeitung  
Albaumer Straße 35  
57399 Kirchhundem Germany