

General Terms and Conditions of Purchase (01/2014)

1. Conclusion of contract

1.1 These General Terms and Conditions of Purchase shall apply for all purchase orders irrespective of whether they are individual orders or are concluded on the basis of framework agreements. Divergent terms and conditions of Supplier shall not apply unless they are expressly confirmed by HÄNDLE in writing. Acceptance of Supplier's deliveries or services shall not mean acceptance of Supplier's terms and conditions.

1.2 Purchase orders and other agreements made in connection with the conclusion of a contract shall be made or confirmed by HÄNDLE in writing. Statements made by fax and/or e-mail shall be equivalent to statements made in writing.

1.3 HÄNDLE expects the binding acceptance of a purchase order in writing by no later than within five working days after receipt of the purchase order. The confirmation must contain HÄNDLE's order number and other order information referred to in the purchase order.

1.4 Supplier's modifications of or additions to order information shall only be binding if confirmed by HÄNDLE in writing.

2. Items provided by HÄNDLE

2.1 All drawings, models, templates, samples, tools, devices, and other items provided to Supplier by HÄNDLE shall remain the property of HÄNDLE.

2.2 Supplier shall be forbidden to permit third parties either to inspect or to use these items, or to supply parts manufactured according to these items to third parties without HÄNDLE's prior written consent. This shall also apply to parts which Supplier has developed according to HÄNDLE's specifications or with substantial participation on the part of HÄNDLE. Such companies and persons as are involved in the sale of HÄNDLE's products shall also be regarded as third parties within the meaning of this provision.

2.3 Supplier shall keep the items provided to Supplier by HÄNDLE in an orderly manner and shall adequately insure them against any damage, e.g. due to fire, water and theft. Irrespective of this, Supplier shall be obligated to return these items to HÄNDLE when so requested or, after termination of the contractual cooperation, without being requested.

3. Prices, terms of delivery, shipment

3.1 Prices shall be fixed prices and shall be understood to be exclusive of value added tax including packaging free at HÄNDLE's factory. Subsequent price increases must be confirmed by HÄNDLE in writing. Should the development of the market make it necessary to lower the prices agreed upon with Supplier, HÄNDLE shall take up negotiations with Supplier concerning a reduction of Supplier's prices.

3.2 As a rule, deliveries are effected "DAP named place of destination, Incoterms® 2010".

3.3 In cases where "ex works" pricing has been agreed, "ex works" shipment at the lowest cost shall take place, unless HÄNDLE has prescribed a particular mode of shipment. Supplier shall pay costs of freight in advance. HÄNDLE does not provide prepayment of freight charges. Extra costs due to failure to observe a shipment instruction and for express shipment in order to meet deadlines shall be borne by Supplier. A delivery note on which, like on all other shipping documents, the order references stated in the purchase order are to be given shall be attached to each shipment.

3.4 Supplier shall pack, mark and dispatch each consignment in keeping with the requirements of the provisions of the law applicable at the time of shipment while taking into account mode and route of transport.

3.5 HÄNDLE has taken out transport insurance for "ex works" shipments. No reimbursement shall be paid for additional insurance taken out by Supplier. HÄNDLE is a self-insurer.

4. Invoicing, terms of payment

4.1 The invoice shall be sent to HÄNDLE in a single copy on the day of performance of the delivery or service. The invoice shall not be included with the shipment. The invoice must contain the order number and the order date, additional HÄNDLE-specific data (account coding), HÄNDLE's ID number, place of unloading, number and date of the delivery note, quantity of goods or services invoiced as well as the country of origin of the parts delivered.

4.2 Supplier must provide HÄNDLE upon request with an information sheet concerning the country of origin of its delivery. If the goods delivered do not come from a country of origin belonging to the EC, Supplier must state the respective country of origin of the goods on the invoice without being so requested.

4.3 Payment and discount deadlines shall commence upon receipt of an auditable invoice but not before complete and faultless delivery or acceptance, if agreed, or if services to be rendered contingent on success are owed. HÄNDLE shall make payment with 3 % discount within 10 working days after onset of these conditions or, optionally, net without discount within 30 working days.

5. Rights of third parties, intellectual property rights, retention of title

5.1 Supplier shall ensure that HÄNDLE does not violate intellectual property rights of third parties when using the goods and services in accordance with the contract and shall grant HÄNDLE an unrestricted right of use for the contractual purposes. Supplier shall indemnify HÄNDLE from all and any claims made against HÄNDLE due to violation of intellectual property rights, provided Supplier is responsible for the violation. License fees, expenses or costs incurred by HÄNDLE for the avoidance or remedy of violations of intellectual property rights shall be borne in such cases by Supplier. HÄNDLE shall inform Supplier accordingly in case of such a claim.

5.2 HÄNDLE contradicts all provisions concerning retention of title above and beyond the simple retention of title. They shall require prior written consent by HÄNDLE in each individual case. Should it nevertheless transpire that sub-suppliers present claims relating to property rights, co-property rights, rights of lien or levies of execution to HÄNDLE, HÄNDLE shall claim against Supplier for all and any damage thus caused.

6. Delivery time

6.1 Supplier must observe agreed delivery dates and deadlines. Part-deliveries or part-services shall require the prior consent of HÄNDLE and will be accepted only in exceptional cases. Supplier shall be obligated to request from HÄNDLE the documents and other items to be provided by HÄNDLE for the execution of the purchase order in such good time so as to be able to meet the agreed delivery dates and deadlines.

6.2 As soon as Supplier recognizes that Supplier cannot or can only partially meet the contractual obligations on time, Supplier must notify HÄNDLE immediately in writing stating the reasons for this and the expected duration of the delay. This shall not affect the claims to which HÄNDLE is entitled by law in case of delayed performance.

7. Passing of the risk/notice of defects

7.1 The passing of the risk to HÄNDLE in the case of deliveries shall take place when these have arrived at the delivery address stated in the purchase order. In case of delivery with erection or assembly or other contractual obligations for which acceptance is agreed, as well as in the case of works performed (within the meaning of "Werkvertragsrecht" by law), the passing of the risk to HÄNDLE shall take place when a formal acceptance has taken place.

7.2 HÄNDLE shall notify Supplier of externally visible defects of deliveries no later than within 10 working days after delivery, other defects immediately after their discovery.

8. Rights in the case of defects, statutory limitation

8.1 Supplier shall assume the responsibility that all deliveries/ services are free from defects and conform to the state of the art, the generally recognized technical regulations relating to safety and occupational health issued by authorities and professional associations, and to the currently valid environmental protection regulations. Machines, equipment and plant

must bear a CE mark.

8.2 In case of failure to conform to characteristics of state and agreed guarantees, HÄNDLE shall be entitled to the statutory warranties. This provision shall not affect guarantee claims (within the meaning of "Garantie" by law) above and beyond the statutory rights in the case of defects.

8.3 In the case of rights based on defects HÄNDLE shall be entitled to demand as it chooses subsequent performance by subsequent improvement, delivery of a substitute, or remanufacture, as well as compensation for any damage according to the provisions of the law. Supplier must bear the expenses necessary for this. If, in the case of defective parts, an exchange from HÄNDLE's stock of replacement parts is made in consultation with Supplier, Supplier must reimburse the costs of replacing the replacement part. If the place of performance of its delivery is abroad, Supplier must bear in addition the customs and border crossing costs incurred.

8.4 If the subsequent performance does not take place within a reasonable deadline, fails or if the deadline was dispensable, HÄNDLE shall be entitled to withdraw from the contract, to claim damages in lieu of performance, replacement of wasted expenses or reduction of price as provided for by law.

8.5 If Supplier fails to fulfill its obligations for subsequent performance within a reasonable deadline set by HÄNDLE without having the right to refuse subsequent performance, HÄNDLE shall be entitled to remedy or to have the defects remedied by third parties at Supplier's expense and risk in case of danger of major damage and if Supplier was unable to be reached. This shall not affect Supplier's obligation to remedy defects in such cases.

8.6 HÄNDLE shall hold defective parts which are the subject of complaint ready for inspection by Supplier. These shall be sent back to Supplier at Supplier's request and at Supplier's expense and risk. They shall remain the property of HÄNDLE until HÄNDLE has received replacement delivery or credit for the part.

8.7 The period of limitation for claims based on defects shall be 36 months if no longer period of limitation is provided for by law. The period of limitation shall commence upon arrival of the delivery at the place of performance or upon acceptance if agreed or provided for by law.

9. Product liability, insurance

9.1 Supplier shall be liable for all and any damage causing product liability due to faultiness of its final or part-product. In particular, Supplier shall indemnify HÄNDLE from claims arising from non-contractual product liability, to the extent that liability is based on a defect contained in the goods delivered by the Supplier, the cause of which is attributable to its sphere of management and organization, and if the Supplier itself is liable in relation to others. The damage to be replaced also shall include the costs of a preventive recall campaign provided this is legally necessary in view of the dangers emanating from the product/ part-product. HÄNDLE shall inform Supplier immediately of the implementation of such campaigns.

9.2 Supplier undertakes to take out insurance to an adequate amount against all risks arising from product liability including the risk of recall and shall prove this to HÄNDLE on request by submitting its insurance policy.

10. Force majeure

If, after conclusion of the contract, external events occur which were not foreseeable and which HÄNDLE was unable to prevent and which impair the fulfillment of the contract, HÄNDLE shall be entitled to postpone agreed deadlines by the duration of the impairment, provided HÄNDLE is not responsible for the impairment. If such impairments last over a period of more than three months, each party to the contract shall have the right to withdraw from the contract in whole or in part or, in case of a continuing obligation, to terminate the contract with immediate effect. The respective declaration must be made in writing.

11. Secrecy

Supplier undertakes to keep secret all internal company information, documents, know-how and planned business projects of HÄNDLE which come to its knowledge as a result of the contractual cooperation with HÄNDLE. This obligation shall continue to exist even after completion of the contract unless HÄNDLE places them in the public domain.

12. Place of performance, venue, applicable law

12.1 Place of performance for all deliveries and services shall be HÄNDLE's factory in Mühlacker, Germany, or such other place as specified in the purchase order.

12.2 The venue for both parties shall be Karlsruhe, Germany, if Supplier is a merchant within the meaning of the German Commercial Code (HGB). HÄNDLE shall also be entitled to optionally file suit against Supplier at Supplier's general venue.

12.3 The law of the Federal Republic of Germany shall apply. Application of the United Nations Convention on the International Sale of Goods of April 11, 1980 (UN CISG) shall be excluded.