



General Terms and Conditions of Purchase

§ 1 Validity

(1) All deliveries, services and offers of our suppliers are exclusively on the basis of these General Terms and Conditions of Delivery. These are integral to all Agreements, which we conclude with our suppliers relating to the deliveries or services they offer. They also apply to all future deliveries, services or offers to the principal, even if they are not agreed again specifically.

(2) The Terms and Conditions of our suppliers or third parties do not apply, even if we do not object to their validity in specific individual cases. Even if we refer to written communication, which includes the Terms and Conditions of the supplier or a third party or which refers to the same, this does not substantiate the consent to the validity of those Terms and Conditions.

§ 2 Orders and commissions

Provision regarding the written form (see General Terms and Conditions of Purchase § 2).

(1) If our offers do not expressly include any obligation terms, we are bound to the same for one week after the date of the offer. The receipt of the acceptance declaration on our part is significant for the timely acceptance.

(2) We are entitled to change the time and location of the delivery as well as the kind of the packaging at any time subject to a written notification subject to a term of at least 10 calendar days before the agreed date of delivery. The same applies to changes of product specifications, as far as these may be realized within the scope of the supplier's normal production processes without any significant additional expenses, whereby in these cases the period of notification amounts to at least 3 weeks according to the previous sentence. We will pay back to the supplier any proven and adequate additional costs arising due to the change. If such changes result in delays in deliveries, which despite reasonable efforts may not be avoided within the supplier's normal production and business processes, the originally agreed date of delivery shall be changed accordingly. The supplier will notify us in writing within 20 working days after the receipt of our notification according to Sentence 1 of any additional costs or delivery delays to be expected according to his diligent estimations.

(3) We are entitled to terminate the Agreement at any time subject to a written declaration providing reasons, if the ordered products may no longer be used in our business process due to circumstances, which may have arisen after the conclusion of the Agreement. In this event we will pay back to the supplier the partial services he provided.

§ 3 Prices, payment terms, invoicing details

(1) The price stated on the order form is binding.

(2) In the absence of different written agreements the price includes the delivery and transport to the delivery address stated in the Agreement including the packaging.

(3) If according to the agreement concluded the price does not include the packaging and the payment for the packaging – made available not only as a loan – has not been expressly determined, the packaging shall be calculated at cost price as may be proven. Upon our request the supplier must take back the packaging at his own expense.



(4) Unless agreed otherwise we pay the purchase price subject to an early payment discount of 3% within 14 days from the delivery of the goods and the receipt of the invoice or net within 30 days. The receipt of our remittance order at our bank suffices for the timeliness of the payments we owe.

(5) All order confirmations, delivery papers and invoices must include our order number, the item no., delivery quantity and delivery address. Should one or several of these details be missing and thus our processing be delayed within the scope of our usual business transfer, the payment terms stated in Paragraph 4 shall be extended by the period of the delay.

§ 4 Delivery time and delivery, passing of risk

(1) The delivery time (delivery date or period) stated on the order form is binding. Premature deliveries are not permissible.

(2) The supplier is obliged to inform us immediately in writing, if circumstances arise or become evident, according to which the delivery time may not be complied with.

(3) If the day, by which the delivery must be made at the latest, can be determined according to the Agreement, the supplier is in delay with the expiry of that day, without this requiring an overdue notice on our part.

(4) In the event of the delivery being delayed we are entitled to the unlimited legal rights, including the right to withdraw from the Agreement and claim for damages instead of the performance after the fruitless expiry of an adequate period of grace.

(5) In the event of delivery delays we are entitled subject to the prior written enforcement towards the supplier to demand a contractual penalty amounting to 0.5% but a maximum of 5% of the respective order value for each commenced week of the delivery delay. The contractual penalty shall be offset against the damages for delay to be paid by the supplier.

(6) Without our prior written consent the supplier is not entitled to provide partial deliveries.

(7) Even if dispatching has been agreed, the risk is passed to us only once the goods are handed over to us at the agreed place of destination.

§ 5 Ownership protection

(1) We reserve the property rights or copyrights for the orders, commissions handed over as well as for the sketches, illustrations, calculations, descriptions and other documents made available to the supplier. Without our express consent the supplier may not make the same available to third parties, nor may he make them public, use or duplicate the same personally or via third parties. Upon our request he must return to us these documents in full, if he no longer requires the same within the orderly business process or if negotiations do not lead to the conclusion of an Agreement. In this event, any copies, which the supplier may have made, must be destroyed; this excludes the storage of documents within the scope of the legal duty to preserve records as well as the storage of data for security purposes within the scope of the usual data backup.

(2) Tools, devices and production means (e.g. models), which we make available to the supplier or which are produced for contractual purposes and which the supplier invoices us

for separately, remain or become our property. The supplier must clearly label the same as our property; he must store them carefully, protect them against damages of all kinds and may only use the same for the purposes of the Agreement. In the absence of a different agreement – the



contractual parties shall each bear half of the costs for the maintenance and the repair of these objects. If, however, these costs are due to the defects of such objects produced by the supplier or due to the improper use on the part of the supplier, his employees or other vicarious agents, the supplier shall bear the costs solely. The supplier shall notify us immediately of all, not only insignificant damages to these objects. Upon request he is obliged to hand over to us these objects in an orderly state, if he no longer requires the same to fulfil the Agreements concluded with us. Even after the termination of the Agreement the objects may not handed over to third parties or made available to third parties or used by third parties without our written consent.

MWH may take over any production means, which MWH paid pro rata, at the end of the delivery at the time value of the supplier's share. The supplier may sell any delivery objects, which MWH developed (e.g. were produced according to the MWH specifications or sketches) and/or which bear the MWH trademark and/or the MWH parts no. to MWH factories only. Direct supplies to the MWH dealership or third parties are excluded as a rule. Furthermore, the supplier is obliged not to offer such parts in catalogues or other advertising or sales documents. In the event of the supplier breaching any of the above obligations MWH is entitled to withdraw from the Agreement and to demand the handover or compensation of the damage arisen from this breach of the Agreement. The supplier must store the material for MWH with the due diligence of an orderly businessman and is obliged to notify MWH immediately, if garnishments or other protective measures may affect the property of MWH. If there are differences in the production means made available, e.g. between the sample and the sketch, MWH is obliged to point out the divergences before the production commences.

(3) The supplier's retention of title only applies if the same refers to our payment obligation for the relevant products, which the supplier retains the title for. In particular, the extended or prolonged retention of title is impermissible.

§ 6 Warranty claims

(1) In the event of defects we are entitled to the unlimited legal rights. In divergence to the same, however, the warranty period shall amount to 36 months.

(2) Any divergences as to quality and quantity are contested in time, if we notify the supplier within 6 weeks from our receipt of the goods. Latent defects are contested in time if the notification to the delivery is made within 6 weeks after their discovery.

(3) With the acceptance or the approval of the samples or specimen submitted we do not waive our right to warranty claims.

(4) The supplier's receipt of our written notification of defects the statute of limitation shall be suspended. In the event of a replacement delivery and the removal of the defect the warranty period for the replaced and amended parts shall recommence.

(5) The supplier shall bear the costs for the removal of the defects, including the expenses for packaging, freight and transport, the expenditure of human labour required for the dismantling and reassembly, as well as the travel costs and the execution of the removal of the defect on the MWH premises.

§ 7 Product liability

(1) The supplier is responsible for all claims asserted by third parties due to damages to persons or property, which are due to a defective product he delivered and as such is obliged to release us from the resulting liability. If we are obliged to carry out a product recall campaign towards



third parties due to a defect on a product, which the supplier delivered, the supplier shall bear all the costs connected with such a product recall.

(2) The supplier is obliged to maintain at his own expenses a Product Liability Insurance, which, unless otherwise agreed in individual cases, does not need to cover the recall risk, punitive or similar damages. Upon request, the supplier will submit to us a copy of the Third Part Liability Policy.

§ 8 Protective rights

(1) The supplier guarantees that in connection with his delivery no protective rights of third parties are breached.

(2) The supplier is obliged to release us from all claims, which third parties may assert against us due to the breach of commercial protective rights as mentioned in Paragraph 1 and he is obliged to pay back to us all expenditures required in connection with such an assertion. This entitlement applies irrespective of the supplier's culpability.

§ 9 Replacement parts

(1) The supplier is obliged to store replacement parts for the products delivered to us for a period of at least 5 years after the delivery.

(2) If the supplier intends to discontinue the production of replacement parts for the products delivered to us, he will notify us immediately once the decision about the discontinuation has been taken. Subject to Paragraph 1 – this decision must be taken at least 3 months before the discontinuation of the production.

§ 10 Incoming goods inspection, quality assurance, parts to be documented

For the quantities, dimensions, weights and the quality of a delivery the values determined during our incoming goods inspection are significant. Acceptance shall only be subject to the inspection regarding the correctness and suitability and for the remainder according to the MWH quality provisions, in particular, the "Quality in the acquisition process" guidelines. Our controlling personnel and the national and international companies are entitled to inspect the quality of the material and/or the production process of the objects of delivery during working hours on the supplier's premises. The payment of the purchase price does not substantiate the acknowledgement of an orderly delivery free of defects. The supplier is obliged to comply with the state-of-the-art, the safety provisions and the technical specifications required for his delivery and to review continually the quality of his products. The inspection documents must be stored for 10 years and must be handed over to MWH at any time upon request. The supplier must subject his subcontractors accordingly to the same extent and within the scope of the legal possibilities.

§ 11 Secrecy

(1) The supplier is obliged to keep secret for a period of 3 years after the termination of the Agreement the conditions of the order as well as all information and documents (with the exception of publicly accessible information) made available for this purpose and only to use the



same for the fulfilment of the order. Upon our request he will return the same to us immediately after the processing of queries or after the completion of orders.

(2) Without our prior written consent the supplier may not refer to this business connection in advertising materials, brochures etc. and may not exhibit any objects of delivery produced for us.

(3) The supplier will subject his subcontractors to this § 10 accordingly.

§ 12 Assignment

The supplier is not entitled to assign his claims from the contractual relationship to third parties. This previous sentence does not apply if the claims concern outstanding debts.

§ 13 Place of fulfilment, place of jurisdiction, applicable law

(1) The head office of MWH in Halver is the place of fulfilment for both parties and the exclusive place of jurisdiction for all disputes from this contractual relationship.

(2) The Agreements concluded between us and the supplier are subject to the Law of the Federal Republic of Germany under exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).