



Standard Terms and Conditions of Purchase for Deliveries and Services for Members of the SIEPMANN-Group:

- **SIEPMANN-WERKE GmbH & Co. KG, Emil-Siepmann-Straße 28, 59581 Warstein**
- **Stahl-Armaturen PERSTA GmbH, Mülheimer Straße 18, 59581 Warstein**
- **SD MACHINING GmbH, Mülheimer Straße 18, 59581 Warstein**
- **SZ Fertigungstechnik GmbH, Robert-Bosch-Straße 34, 59399 Olfen**

1. Scope

1.1. These Terms and Conditions of Purchase apply in relation to corporations, corporate bodies under public law and special funds under public law.

1.2. Our orders are placed exclusively based on the following terms and conditions. Any terms and conditions of business of our business partners do not apply, unless where expressly recognised by us.

1.3. These Terms and Conditions of Purchase also apply to all future orders and contractual relationships between us and our business partners.

2. General provisions

2.1. The contracting parties shall without delay confirm in writing the details of any verbal agreements made.

2.2. Should any provision of these Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the remaining provisions.

2.3. We are entitled to terminate the contract without notice if insolvency proceedings are instituted against our business partner.

3. Orders

3.1. We are entitled to cancel our order if our partner fails to accept it in writing within ten days of receipt.

3.2. Delivery call-offs shall become binding at the latest upon expiry of a period of ten days after receipt by the partner if the partner fails to object to them in writing.

3.3. Within the bounds of what is acceptable to the partner, we shall be entitled to demand changes to the delivery item. The effects of such a change, in particular with regard to additional and/or reduced costs and delivery times, shall be stipulated by mutual agreement.

4. Long-term and delivery schedule agreements, price adjustment

4.1. Permanent contracts and contracts with a term of twelve months or more (long-term agreements) can be terminated at the end of a month by giving six months' notice.

4.2. If in the case of a long-term agreement (contracts with a term of more than twelve months and permanent contracts) the labour, material or energy costs change substantially, either of the contracting parties shall be entitled to demand negotiations about an appropriate adjustment of the prices taking account of these factors, unless where fixed prices have been agreed expressly.

5. Confidentiality

5.1. The fact that a contract has been concluded shall be kept secret. The partner shall be entitled to make reference in advertising materials to a business relationship with us only with our prior written consent. The contracting parties undertake to treat as business secrets any and all commercial and/or technical details which they learn of due to the business relationship. Subcontractors shall be placed under an appropriate obligation.

5.2. Each of the contracting parties shall use any documents (including samples, models and data) and knowledge obtained under the business relationship only for the joint purposes and keep them secret from third parties with the same diligence applied to the secrecy of its own documents and knowledge where the other contracting party specifies them as confidential or is obviously interested in keeping them secret. This obligation shall commence on the date any document or knowledge is received for the first time and end upon expiry of a period of 60 months after the end of the business relationship. This obligation shall not apply to any document or piece of information which is common knowledge or is already known to the contracting party upon receipt without any duty of secrecy on its part or which is disclosed after this by a third party authorised to disclose it or which the receiving contracting party develops without the use of any document or knowledge to be kept secret owned by the other contracting party.

5.3. Any drawing and/or description we hand over to the partner shall remain our inalienable material and intellectual property and be returned without being asked upon completion of the order. The partner must neither use for any other purpose nor reproduce nor disclose to any third party these drawings and other documents. The partner will be liable to us for any damage caused by a violation of this obligation.

6. Samples and manufacturing equipment



6.1. Any manufacturing equipment (tools, moulds, templates, parts, raw materials etc.) and documents (including samples and data) which we hand over to the partner remain our property.

6.2. The partner shall transfer ownership to us of any drawings and descriptions made to our specifications when they are paid for in full.

6.3. The partner shall be obligated to mark this manufacturing equipment so as to indicate that it is our property and to insure it at its expense against fire, water damage and theft at the reinstatement value. At our request, the partner shall prove that appropriate insurance cover exists.

6.4. The partner shall forthwith inform us of any damage to the manufacturing equipment.

6.5. The partner shall carry out at its expense any and all maintenance and repair work on the manufacturing equipment.

6.6. Manufacturing equipment we have handed over to the partner shall be processed, converted, installed or incorporated on our behalf.

6.7. Where this results in our property being inextricably linked with property of the partner or any third party, we shall become co-owner of the newly created object in the proportion of the value of our property to the value of the newly created object. Where processing, conversion, installation or incorporation result in our objects having to be regarded as essential elements of a principal object of the partner, we shall acquire co-ownership of the principal object in the proportion of the value of our objects to the new object. In either case, the partner shall keep safe our co-ownership share on our behalf.

7. Prices, delivery and passing of risk

7.1. Unless where otherwise agreed, the prices agreed are fixed prices and exclude additional claims of any kind. The prices include the cost of packaging, transport and toll charges up to the dispatch address or place of use specified by us and the cost of any customs formalities and all customs duties.

7.2. We shall be notified in writing of any delivery forthwith upon dispatch by means of an advice note precisely detailing kind, quantity and weight. Our order number shall be stated on all advice notes, bills of lading, invoices and correspondence.

7.3. We will only accept the quantities ordered by us. Any overdelivery, underdelivery or partial delivery is admissible only by prior arrangement.

7.4. Shipment shall be at the partner's risk. Accordingly, the partner will bear the risk of any deterioration and accidental loss until delivery at the dispatch address or place of use specified by us.

7.5. Unless where otherwise agreed, the partner shall make its deliveries "free domicile" inside Germany or "DDP as per Incoterms 2010 in the case of international orders.

7.6. The time for delivery shall start at the time the order is acknowledged and be extended appropriately where force majeure conditions apply.

7.7. The statutory provisions apply to the obligation to take back packagings.

7.8. The goods have to be packaged in such a way that damage in transit will be prevented. Packaging materials must only be used to the extent necessary to achieve this purpose. Only environmentally-friendly packaging materials must be used. Where, as an exception, we are charged separately for packaging, we shall be entitled to return carriage paid to the partner packagings which are in a good condition against reimbursement of 2/3 of the value stated in the invoice.

8. Evidence of origin, proofs in respect of turnover tax law and export restraints

8.1. The partner shall without delay provide to us any evidence of origin we request complete with all necessary information and properly signed. The partner shall notify us forthwith in writing without being asked if the information provided in any evidence of origin for the goods delivered is no longer valid.

8.2. The same shall apply to any proof in respect of turnover tax law in the case of shipments from abroad and intra-Community shipments.

8.3. The partner shall notify us forthwith if any shipment is in full or in part subject to export restraints under German or any other law.

9. Payment conditions, assignment of claims

9.1. Unless where otherwise agreed, we shall, subject to the provisions of 9.3. hereof, make payment within 14 days of delivery and receipt of a proper invoice with a three percent discount or within 30 days with a two percent discount or within 90 days with no discount. The time allowed for payment shall start at the time of delivery or the time the proper invoice is received, whichever is later.

9.2. If we accept delivery before the stipulated delivery date, the due date for payment shall be determined on the basis of the initially agreed delivery date.

9.3. In the event of faulty delivery or delay in delivery, we shall be entitled to withhold payment in the proportion of the non-performance until complete performance.

9.4. Without our written consent, which shall not be unreasonably refused, the partner shall not be entitled to assign any claims it has against us or have such claims be asserted by any third party. In the case of extended reservation of proprietary rights, the consent is deemed to have been given. If the partner assigns any claim against us to a third party without our consent in contravention of sentence 1 above, the assignment shall be valid nevertheless. However, we shall be entitled to discharge of our obligation at our choice towards the partner or the third party with the effect of a full discharge.



9.5. If after conclusion of the contract it becomes obvious that our claim to delivery is jeopardised by the partner's insufficient ability to perform, we shall be entitled to withhold payment and set a reasonable time limit for the partner within which it must make delivery concurrent with payment or must furnish security. If the partner refuses or the time limit expires without performance, we shall be entitled to rescind the contract or claim damages.

10. Services provided at our premises

Persons becoming active at our premises to provide the services owed by the partner must observe the provisions of our internal company regulations and the accident prevention, occupational safety, environmental protection and other regulations applicable to our company. At our plant, dangerous substances must be used only by arrangement with our specialist personnel and they must be properly marked. With regard to any work to be carried out on the premises of the drop forge, the "Guidelines regarding the behaviour on the factory premises" apply in addition. They have to be complied with and a copy of them has to be signed and submitted to us before any work is started.

11. Delay in delivery

If the partner can foresee that the goods cannot be delivered within the delivery time, it shall notify us forthwith in writing, state the reasons and, if possible, indicate the expected delivery date. This shall not affect our claims arising from the partner's delay in delivery.

12. Reservation of title

The partner remains the owner of the goods delivered until they have been paid for completely (reservation of title).

13. Material defects

13.1. The goods have to comply with the specifications agreed and with what has to be assumed by the partner if it knows the intended use but at least with the statutory requirements and the goods have to be state of the art. The relevant point in time to determine whether or not the goods are according to agreement shall be the time when the risk passes.

13.2. We shall be entitled to give notice of defects within four weeks of receipt of the goods, and within two weeks after detection in the case of hidden defects. The four-week period allowed for examination and sending notice of a defect or deficiency shall also apply in the case of incomplete delivery or service.

13.3. With regard to its deliveries, the partner shall comply with the applicable legal regulations of the European Union and the Federal Republic of Germany, e.g. the REACH Directive (Directive 1907/2006/EC), the law regarding the taking back and environmentally-compatible disposal of electrical and electronic equipment (ElektroG) as the national implementation of Directive 2011/65/EU (RoHS) and Directive 2012/19/EU (WEEE) and the end-of-life vehicle act as the national implementation of EU Directive 2000/52/EC.

The partner shall forthwith inform us about any relevant changes to the goods and/or the availability, possible use or quality of the goods which may be caused in particular by the REACH Directive and discuss and agree suitable measures with us in each particular case. The same shall apply where the partner anticipates such changes.

13.4. Unless otherwise agreed, the partner shall provide a warranty that its deliveries and services are free from defects, with a warranty period of 36 (thirty-six) months from delivery to us. This shall not apply where any statutory regulations provide for a longer period, in particular with regard to a defect of a building or of any goods which have been used for a building in accordance with their normal use and have caused the defectiveness of the building.

13.5. For any plant component which cannot be used for its intended purpose as specified in the contract due to an interruption of operations caused by subsequent improvement or the installation of replaced or repaired parts, the warranty period shall be extended by a period equivalent to the duration of the interruption. The warranty period for repaired or replaced parts shall start anew from the date of their installation.

13.6. If the partner fails to make improvements to the goods or deliver free-of-defects goods within a reasonable deadline set for it, we shall be entitled to rectify the defect or have it rectified by a third party at the partner's expense. This shall not affect any statutory regulations regarding cases in which it is not necessary to fix a time limit and any and all statutory rights based on defects including rights of recourse.

14. Defects of title

14.1. The partner represents and warrants that all deliveries are free from third-party rights and that, in particular, delivery and use of the goods do not infringe any patents or other industrial property rights of a third-party in the agreed country of delivery, in the European Union, Switzerland, Turkey and — where notified to the partner — in the countries where the goods are intended to be used.

14.2. Where the partner is directly liable to a third party by operation of law, the partner shall indemnify us from and against any claim by third parties based on an infringement of industrial property rights and defray all necessary costs incurred in connection with this.

14.3. Claims based on defects of title shall become statute-barred after five years.

15. Other claims, partner's liability, product liability

15.1. Where due to a defect of our product which is attributable to a delivery of the partner any claim is brought against us based on an infringement of official safety regulations or domestic or foreign product liability regulations, we shall be entitled to claim damages from the partner to the extent attributable to its delivery.



15.2. Where a product defect is attributable to a supply or service provided by one of the partner's suppliers or subcontractors, the defect shall be regarded as a defect of the partner's product. Irrespective of the partner's existing liability, we shall be entitled to the extent this is legally permissible to assert claims against the partner's suppliers or subcontractors. Accordingly, the partner shall be obligated to assign to us at our request any of its claims against its suppliers or subcontractors where they concern the defect for which we are liable to a third party under product liability laws.

15.3. Where the partner is responsible for any damage caused by a product, it shall be obligated to indemnify us from and against any claims for damages asserted by a third party to the extent the relevant reason lies within the partner's sphere of control and organisation and it is liable itself in relation to third parties.

15.4. In the context of this liability, the partner shall also be obligated to reimburse us for any expenses in accordance with sections 683 and 670 of the German Civil Code and in accordance with sections 830, 840 and 426 of the German Civil Code which result from or in connection with any recall campaign launched — including as a precaution — by us or our any of our customers. To the extent this is possible and acceptable to us, we shall inform the partner of the contents and the extent of the recall campaigns to be launched and give it an opportunity to make a statement. Other statutory claims shall not be affected.

15.5. The partner undertakes to take out and maintain a product liability insurance of appropriate extent and amounts covered — which shall also cover the recall risk — and on request submit to us the insurance policy for inspection. This shall not affect any other claims for damages to which we are entitled.

15.6. To the extent this is technically feasible, the partner shall mark the delivery items in such a way that they will be permanently identifiable as its products. The partner shall carry out state-of-the-art quality assurance procedures which must be appropriate in respect of kind and extent and prove this to us on request. Notwithstanding this, the partner shall conclude with us an additional quality assurance agreement where we believe this to be necessary.

16. Our liability

16.1. Irrespective of their legal basis, any claims for damages can be asserted against us only in cases of wilful intent, gross negligence on the part of our legal representatives or executive staff and culpable breach of fundamental contractual obligations. In the case of culpable breach of fundamental contractual obligations, we shall be liable only for reasonably foreseeable damage which is typical for the contract.

16.2. This restriction of liability shall not apply to cases in which we have a compulsory liability for damage to persons or property under the product liability law and in the case of injury to life, body or health.

17. Force majeure

17.1. Force majeure events, industrial action, riot, action taken by the authorities, non-delivery of supplies by suppliers and other unforeseeable, inevitable and serious events shall release the contracting parties from their duties to perform for the duration and to the extent of the effect of the disturbance. The contracting parties shall be obligated to provide the necessary information without delay within the bounds of what is reasonable and in good faith adjust their duties to the changed conditions.

18. Place of fulfilment, place of jurisdiction and governing law

18.1. The place of fulfilment for any rights and duties under the contract for both contracting parties shall be D-59581 Warstein, Germany.

18.2. The place of jurisdiction for any legal disputes, including any proceedings based on a bill of exchange or a cheque, shall be the place where we have our registered office, i.e. Warstein, Germany. We shall also be entitled to sue the partner at the place of its registered office.

18.3. The contractual relationship shall be governed exclusively by the laws of the Federal Republic of Germany.

18.4. Application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.

19. Exclusiveness and severability clause

19.1. Our Terms and Conditions of Purchase shall apply exclusively. We recognise other terms and conditions only if we expressly consent to their application in writing.

19.2. Should any of the provisions of these Standard Terms and Conditions of Purchase for Deliveries and Services be invalid, this shall not affect the validity of the remaining provision.