

General Terms of Procurement Schoenrock Hydraulik Marine Systems

Section 1 General – Area of Validity

1. Our terms of purchasing shall apply exclusively to all – including future – contracts between us and the contractual partner (“Supplier”) regarding the sale of goods by the supplier to us; we shall not accept contradictory terms of purchasing or terms deviating from our terms of purchasing of the supplier unless we have explicitly agreed to their validity in writing. Our terms and conditions of purchasing shall apply even in the event that we unreservedly accept the delivery from the supplier in the knowledge of contradictory terms or terms deviating from our terms of purchasing.

2. Our terms of purchasing shall apply only versus businessmen according to Section 310 Paragraph 1 BGB (German Civil Code).

Section 2 Offer – Offer Documents

1. If our offers do not expressly contain a binding period, we shall be bound by them for one week after the date of the offer. The receipt of the declaration of acceptance by us shall be decisive for timely acceptance by the supplier.

2. We shall reserve the right of property and copyright to illustrations, drawings, calculations and other documents; they shall not be made accessible to third parties without our explicit written consent. They shall only serve for the purpose of production on the basis of our order; upon completion of the order, they shall be returned without further request. They shall be kept secret against third parties; insofar the provision of Section 9 Paragraph (4) shall apply.

Section 3 Prices – Terms of Payment

1. The price stated in the order shall be binding. Unless agreed otherwise in writing the price shall include delivery to the address named in the order, including packaging. Return of the packaging material shall require special agreement.

2. Unless otherwise agreed, we shall pay the purchase price within 14 days of delivery of the goods and receipt of the invoice with a 3% discount or within 30 days net. The receipt of the transfer order by the bank shall be sufficient for the timeliness of the payments.

3. All order confirmations, delivery documents and invoices must state our order number, the article no., delivery quantity and delivery address. If one or more of these details are missing and processing/payment is delayed as a result in the normal course of business, the payment periods specified in No. 2 shall be extended accordingly.

4. In case of default of payment, interest rates of five percentage points above the base interest rate. We shall be entitled to rights to balance and rights of retention in the legal scope.

Section 4 Delivery Time

1. The delivery time stated in the order is binding.

2. The supplier shall be obliged to inform us immediately if circumstances occur or become known to him as a consequence of whom the agreed delivery time cannot be observed.

3. In the event of a delayed delivery we shall be entitled to the legal claims. Especially, we shall be entitled, upon unsuccessful expiration of a reasonable period, to withdraw from the contract or demand

damages. If we request compensation, the supplier shall be entitled to prove to us that he is not responsible for the breach of duty.

Section 5 Transfer of the Risk

1. Even if shipment has been agreed, the risk shall only pass to us when the goods are handed over at the agreed destination.
2. If documents, certificates or the like are also included in the scope of delivery of goods, the delivery shall be deemed incomplete until documents are received.

Section 6 Examination for Defects – Liability for Defects

1. Defects are in any case declared in good time if the supplier is notified of them in writing or verbally within five working days of receipt of the goods. Hidden material defects shall be notified in due time if the supplier is notified within five working days after discovery.
2. We shall be entitled to the unabridged legal warranty claims; we shall, in any case, at our own choice be entitled to request repair of the defects or delivery of new goods by the supplier. The right to compensation, especially to compensation instead of the service shall be explicitly reserved.
3. We shall be entitled, at the supplier's cost, to repair the defects ourselves in the event of imminent danger if there is special need for urgency.
4. The warranty period shall be 66 months for items that are used for a building in accordance with their customary use and 36 months for all other items, calculated from the transfer of risk, unless a longer warranty period results from the contract or the law.
5. If the delivered goods are used in an end product that is sold to a consumer, we shall be entitled to a claim of recourse against the supplier in the event that the consumer makes a claim on the basis of Sections 445a, 445b BGB, on the basis of the aforementioned provisions. Concerning scope, content and limitation period Sections 445a, 445b BGB shall apply respectively.

Section 7 Product Liability – Exemption – Liability Insurance Coverage

1. If the supplier is responsible for a defect of the product, he shall be obliged to exempt us from damage claims of third parties upon first request insofar the cause is determined to be his scope of responsibility and organization.
2. If a product recall towards third parties becomes necessary due to a defect in a product, the supplier shall bear all costs associated with the recall action. If we are partly to blame for the damage suffered by the third party in accordance with § 254 BGB, the supplier's liability shall be reduced accordingly.
3. The supplier shall agree to maintain a product liability insurance with a limit of indemnity of MEUR 5 per personal damage/material damage; if we are entitled to further damage claims these shall be unaffected.

Section 8 Industrial Property Rights

1. The supplier shall be responsible that in connection with his delivery no rights of third persons are violated. If the work infringes the industrial property rights of third parties and if we are therefore prohibited from using the work in whole or in part, the supplier shall, at its discretion, either procure for us the right to use and/or exploit the work or render the work free of industrial property rights. Any further claims shall remain unaffected by this.
2. If we are made liable by a third party on this account the supplier shall be obliged to exempt us from these claims upon first request; we shall not be entitled – without the supplier's consent – to make any agreements with said third party, especially not to conclude a settlement.
3. The obligation of exemption of the supplier shall apply to any expenses that are a consequence for us due to or in connection with the liability claim.

Section 9 Right of Retention – Provision of Material – Tools – Secrecy

1. Insofar as we provide the supplier with material, we shall retain title thereof. If the supplier takes over the parts and/or materials, the responsibility for damage and loss shall pass on to the supplier, irrespective of whether the parts and/or the materials are provided by us free of charge or delivered against payment.

2. All processing shall be carried out for us by the supplier. If the conditional goods are mixed with other objects that are not our property, we shall acquire shared ownership of the new object at the proportion of the value of our object (purchase price plus VAT) in relation to the other processed objects at the time of processing.

2. If the goods provided by us are mixed inseparably with other objects that are not our property, we shall acquire shared ownership of the new object at the proportion of the value of our object (purchase price plus VAT) in relation to the other processed objects at the time of processing. If the mixing is carried out in a way that the supplier's object is considered the main object it shall be deemed agreed that the supplier shall transfer shared ownership to us proportionately; the supplier shall keep the sole ownership or shared ownership for us.

3. We shall retain the title to tools; the supplier shall be obliged to use said tools only for the production of the goods ordered by us. The supplier shall be obliged to insure the tools that are our property at new price value against damage by fire, water and theft at his cost. At the same time, the supplier shall as of now cede any compensation claims from the insurance; we shall accept said cession. The supplier shall be obliged to carry out possible necessary maintenance and inspection works of our tools and to carry out all such maintenance and inspection works timely at his cost. Possible faults shall be communicated to us immediately; if he culpably fails to do so damage claims shall remain unaffected.

4. The supplier shall be obliged to keep strictly secret any illustrations, drawings, calculations and other documents he received from us. They shall be made accessible to third parties only upon our explicit consent. The obligation to secrecy shall extend beyond the processing of this contract; it shall expire if and insofar the production knowledge contained in the provided illustrations, drawings, calculations and other documents has become generally known.

5. Insofar as our lien accrued according to this Section exceeds the purchase price of all our not yet paid goods by more than 10% we shall, upon the supplier's request, be obliged to release the lien at our choice.

Section 10 Court of Jurisdiction – Place of Fulfilment – Applicable Law

1. Insofar as the supplier is a businessman, our domicile shall be the court of jurisdiction; however, we shall be entitled to bring action against the supplier at his general place of jurisdiction.

2. Unless stated otherwise, our domicile shall be place of fulfilment for the duties and obligations of both parties.

3. The applicable law shall be the national law of the Federal Republic of Germany (BGB, HGB – German Commercial Code – etc); application of the UN purchasing law shall be excluded.

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