

**Terms and Conditions of Purchase of Klaeger Sägetechnik GmbH, Siemensstraße 32,
Stuttgart**

1. scope of these terms and conditions of purchase

- (a) The Terms and Conditions of Purchase apply to contracts of Klaeger Sägetechnik GmbH with suppliers, which include the delivery of goods and products to Klaeger Sägetechnik GmbH (hereinafter referred to as "Klaeger") as well as the provision of services to Klaeger.
- (b) These Terms and Conditions of Purchase apply to a contract and future contracts without the need for Klaeger to refer to them again in each individual case. In addition, the Terms and Conditions of Purchase are freely accessible on the Internet at http://www.klaeger.com/assets/klaeger_einkaufsbedingungen_16-12-2013.pdf at any time and can be saved and printed out by the Supplier in reproducible form.
- (c) The terms and conditions of purchase of Klaeger apply exclusively. The supplier's terms and conditions of sale are hereby expressly contradicted. The terms and conditions of purchase are accepted by the supplier at the latest when the order is executed by Klaeger. Klaeger only recognises deviations and supplements of the supplier to these purchasing conditions if and insofar as Klaeger has expressly agreed to the validity of such deviations in writing upon conclusion of the contract. The requirement of consent applies in any case, for example, even if Klaeger accepts the supplier's deliveries without reservation in the knowledge of the supplier's general terms and conditions of business. Such deviations only apply to the transaction for which they were made in the individual case.
- (d) There are no verbal collateral agreements when the contract is concluded. Individual agreements expressly made by plaintiffs with the supplier in individual cases (including collateral agreements, supplements and amendments to these terms and conditions of business) take precedence over these terms and conditions of purchase in all cases - insofar as they came into effect after the conclusion of the contract. The content of such individual agreements shall be governed by a written contract or - if no such contract exists - by the written confirmation of Klaeger.

- (e) These Terms and Conditions of Purchase shall apply exclusively to companies, legal entities under public law or public-law special funds within the meaning of § 310 para. 1 BGB (German Civil Code).

2. conclusion of contract, changes to the delivery item

- (a) The order of plaintiff constitutes an application for the conclusion of the contract. Only when the supplier has accepted this order by explicit declaration or partial or complete fulfilment of the order, the contract is concluded.
- (b) The supplier must accept the order within 5 working days. After the expiry of this period or if the Supplier's acceptance deviates from the order of Klaeger, its acceptance constitutes a new offer to Klaeger. The supplier must expressly point out such deviations. Klaeger is then free to accept or reject these new offers of the supplier.
- (c) Klaeger can demand changes to the delivery item in construction and design within the scope of what is reasonable for the supplier. In doing so, the effects, in particular with regard to additional and reduced costs and delivery dates, must be taken into account appropriately by both parties to the contract.

3. non-assignment, no use of subcontractors

- (a) The supplier is not entitled to assign his claims from the contractual relationship to third parties without the written consent of Klaeger.
- (b) The use of sub-suppliers requires the prior consent of Klaeger, which Klaeger will not refuse if there are reasonable grounds for the use of such sub-suppliers.

4. prices, terms of payment, default of plaintiff

- (a) The prices quoted on behalf of plaintiffs are binding. If no special agreement has been made, the prices for deliveries shall include statutory value added tax, all services and ancillary services of the supplier (e.g. assembly, installation) as well as all ancillary

costs (e.g. proper packaging, freight including any transport and liability insurance and packaging free place of use). The supplier must take back packaging material at the request of the plaintiff.

- (b) Subsequent price increases for whatever reason are excluded.
- (c) The agreed price is due for payment within 45 calendar days of complete delivery and/or performance (including any agreed acceptance and handover of documents) and receipt of a proper invoice. If plaintiff makes payment within 14 calendar days, the supplier shall grant a 3% discount on the net amount of the invoice. The periods shall run from receipt of the invoice, but not before receipt of the delivery items or, in the case of services, not before their acceptance and, if documentation and test certificates are part of the scope of services, not before their contractual handover to plaintiff. Late payments which are caused by incorrect delivery documents or incomplete invoice details shall nevertheless entitle the claimant to a discount.
- (d) Plaintiff does not owe any interest on maturity. The Supplier's claim to payment of default interest at the statutory rate remains unaffected. Higher interest on arrears is expressly objected to. The statutory provisions shall apply to the occurrence of default on the part of the plaintiff. In any case, however, a reminder from the supplier is required.
- (e) All invoices must be sent to the postal address of Klaeger. The invoices must state: the order number, number of packages, gross and net weights, destination and the dispatch route. If the order number of the delivered goods is missing on the invoice, this can lead to the return of the invoice and correspondingly to a delay in payment for which Klaeger is not responsible, so that rights arising from default are excluded in this case.

5. rights of set-off and retention of the contracting parties

- (a) Plaintiffs are entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent provided by law. In particular, plaintiff is entitled to withhold due payments as long as plaintiff is still entitled to claims against the supplier arising from incomplete or defective performance.

(b) The supplier has a right of set-off or retention only in the case of counterclaims which have been legally established or are undisputed.

6. delivery, transport insurance and default of the supplier

(a) The delivery times or delivery periods specified in the order of plaintiff are binding.

(b) The supplier is obliged to inform Klaeger immediately in writing if he is likely to be unable to meet agreed delivery times - for whatever reason. This notification does not release the supplier from his liability.

(c) Should plaintiffs agree to changes with regard to delays in delivery, dispatch, completion or delivery of goods and provision of services, this shall not be deemed a waiver of the rights resulting from the delay in the respective service. The unconditional acceptance of the delayed delivery or service also does not constitute a waiver of claims for compensation.

(d) Early deliveries are not permitted. If plaintiff nevertheless accepts premature deliveries, plaintiff is, however, only obliged to pay the purchase price at the time stipulated in the contract.

(e) Insofar as goods are delivered or services are rendered beyond the scope of the order, no payment obligation shall arise for Klaeger and the risk of loss of such items delivered beyond the scope of the order shall remain with the supplier, insofar as Klaeger complains of such an excess of the scope of delivery according to § 377 HGB (German Commercial Code).

(f) The supplier is obliged to take out transport insurance for the delivery item at his own expense.

(g) In case of delay in delivery, plaintiffs are entitled to the statutory claims. If the supplier does not comply with the delivery and performance dates and deadlines, plaintiff is also entitled, after prior written warning to the supplier, to demand a contractual penalty of 0.5%, but not more than a maximum of 5% of the net price for each completed calendar week of the delay in delivery. The contractual penalty shall be set off against

the damage caused by the delay to be reimbursed by the supplier. The plaintiff is entitled to demand the contractual penalty in addition to the performance and as a minimum amount of damages owed by the supplier in accordance with the statutory provisions; the assertion of further damages remains unaffected. If Klaeger accepts the delayed performance, Klaeger must claim the contractual penalty at the latest with the final payment.

7. dispatch and transfer of risk

- (a) The delivery must be made free to the place of delivery specified in the order. If the place of delivery is not specified and nothing else has been agreed upon, the delivery must be made to the registered office of Klaeger in Kernen.
- (b) The risk of accidental loss or accidental deterioration of the delivered goods shall not pass to the plaintiff upon dispatch of the goods until an agency authorised by the plaintiff has acknowledged receipt. In the case of partial deliveries, the risk is only transferred in relation to the respective partial delivery.

8. property rights to the delivered goods

- (a) The supplier must indemnify plaintiffs upon first request from claims asserted by third parties on the basis of the contractual use of the delivered goods or rendered services due to the infringement of industrial property rights, i.e. patents, utility or design patents, trademarks, copyrights or other protected rights, insofar as the supplier is responsible for the defects of title. This indemnification obligation of the supplier refers to all expenses which the plaintiff necessarily incurs from or in connection with the claim by a third party.
- (b) The plaintiff is only obliged to defend against attacks due to such infringements of property rights described in item 8 (a) with regard to the delivered goods or services if the supplier has indemnified the plaintiff from the cost risk arising from this. In this case, Klaeger is not entitled to make any agreements with the third party - without the consent of the supplier - in particular to conclude a settlement.

- (c) The plaintiff and the supplier are mutually obliged to inform each other immediately of any infringement risks and alleged cases of infringement that become known.
- (d) The period of limitation for such defects of title is three years from delivery of the goods or completion of the services, whereby the statutory period of limitation for claims for restitution in rem of third parties (§ 438 para. 1 no. 1 BGB) as well as the longer periods of limitation provided for in § 634 a BGB remain unaffected.

9 Retention of title by the plaintiff, provision of materials, tools, insurance

- (a) Materials or parts provided by Klaeger as well as tools, moulds, samples, models, designs, drawings, templates and other specifications, plans, drawings and data or documents and objects comparable to these (hereinafter: provided property of Klaeger) remain the property of Klaeger. All copyrights, patents, trademarks, registered designs or utility models or other industrial property rights in favour of Klaeger to all property provided by Klaeger remain with Klaeger. All property provided by the plaintiff is to be returned to the plaintiff in a condition free of walls upon request or after completion of the contractually agreed services. None of the aforementioned objects and documents may be copied or made accessible to third parties or used for any other purpose than the execution of the contract.
- (b) The processing or alteration of materials and the assembly of parts is carried out exclusively for plaintiffs. It is agreed that plaintiffs will become co-owners of the products manufactured using the materials and parts provided by plaintiffs in the ratio of the value of the materials provided to the value of the total product.
- (c) All tools, moulds, samples, models, designs, drawings, templates and other specifications produced at the expense of Klaeger or comparable documents and items (hereinafter: items produced for Klaeger) become and remain the sole property of Klaeger. All objects manufactured for Klaeger must be returned to Klaeger in perfect condition upon request or after completion of the contractually agreed services. All objects manufactured for Klaeger may not be copied or made available to third parties or used for any other purpose than the execution of the contract. With regard to the items produced for plaintiffs, plaintiffs are entitled to all copyrights, patent rights, trademark rights, design

rights or utility model rights and other industrial property rights, unless otherwise agreed with the supplier.

- (d) The supplier is obliged to carry out any necessary maintenance and inspection work as well as all maintenance and repair work at his own expense and in good time for both the property provided by Klaeger and for the objects manufactured for Klaeger.
- (e) If the property provided by plaintiff or the objects manufactured for plaintiff are damaged or otherwise altered by the supplier in such a way that they can no longer be used by the supplier for their intended purpose, the supplier must compensate plaintiff for the value of the property provided by plaintiff or the objects manufactured for plaintiff which can no longer be used for their intended purpose, unless the supplier is not at fault. In these cases, too, plaintiff is entitled to offset the purchase price.
- (f) The supplier is obliged to insure the provided materials and parts against all risks, in particular fire and theft, at his own expense and to provide evidence of the conclusion of the insurance policy on request. The supplier assigns to plaintiffs all compensation claims arising from this insurance. Plaintiff accepts the assignment.

10. reservation of title

The supplier is entitled to deliver the goods under simple reservation of title until they are paid for. The plaintiff does not agree with further-reaching retention of title regulations, in particular so-called extended or prolonged retention of title or group reservations. In the case of partial payments, the plaintiff acquires co-ownership of the goods in proportion to the value of the payment to the value of the goods.

11. withdrawal from the contract

Plaintiffs are entitled to the statutory rights of rescission to the extent provided for by law. Plaintiff does not agree with a limitation of these rights.

12. notification of defects

- (a) Unless otherwise agreed, unless longer periods for notification of defects are provided for by law, defects in the goods shall be deemed to have been notified in good time as defined in § 377 HGB (German Commercial Code) if the supplier is notified of any apparent defects within 5 working days of delivery. Furthermore, the plaintiff shall give notice of defects that are not recognisable as soon as they are discovered in the normal course of business.
- (b) Within the framework of ongoing business relations and if a delivery item has first been inspected, tested and approved by Klaeger, the supplier must inform Klaeger in writing of every product change without being asked to do so. In the case of ongoing deliveries or deliveries after product release, the supplier is further obliged to inspect the delivery item for all deviations and changes whenever the manufacturing conditions in his company change, in particular when tools or machines are replaced or new manufacturing processes are introduced, and to notify plaintiff of such deviations and changes in writing. If the supplier fails to make such a notification in the aforementioned cases, § 377 HGB (German Commercial Code) shall not apply even if the changed condition of the delivery item leads to a defect.
- (c) The plaintiff does not agree with clauses in the supplier's terms of contract according to which notifications of defects must be made in a certain form or within a period of time determined in days.

13th warranty

- (a) In the event of material defects and defects of title in the goods or services of the supplier (including wrong, excess and short delivery as well as improper assembly, defective assembly, operating or instruction manuals) and in the event of other breaches of duty by the supplier with regard to defective services, plaintiffs are entitled to the statutory claims for defects in full unless otherwise provided for below. In addition, Clause 8 of these Terms and Conditions of Purchase shall apply to defects of title.

- (b) If the supplier does not fulfil his obligation to supplementary performance - at the discretion of plaintiff by remedying the defect (rectification of defects) or by delivering a defect-free item (replacement delivery) - within a reasonable period of time set by plaintiff, plaintiff may remedy the defect itself and demand from the supplier reimbursement of the necessary expenses or a corresponding advance payment. If the subsequent performance by the supplier has failed or is unreasonable for plaintiff (e.g. due to particular urgency, endangerment of operational safety or the threat of disproportionate damage), no deadline need be set; the supplier must be informed immediately, if possible in advance.
- (c) We reserve the right to assert all further damages or expenses incurred by the plaintiff in connection with a defective delivery. Klaeger does not agree with a limitation of the statutory claims for damages or expenses of Klaeger, in particular arising from tort, positive breach of contract, culpa in contrahendo including consequential harm caused by a defect, neither with regard to the degree of culpability nor with regard to the extent of damage or the amount of damage.
- (d) The supplier must carry out all inspections of the products manufactured or delivered by him independently of the incoming inspection by Klaeger and is responsible for the fault-free condition of the delivered goods. The supplier is not relieved of the burden of any incoming goods inspection carried out by Klaeger itself.
- (e) If, in the event of a warranty claim, Klaeger chooses replacement delivery or rectification of defects, the warranty periods for the replaced or rectified parts shall begin anew from the time of the replacement delivery or rectification of defects, unless, in view of the conduct of the supplier, Klaeger had to assume that the supplier did not feel obliged to take such action, but instead made the replacement delivery or rectification of defects only as a gesture of goodwill, to avoid disputes or in the interest of the continuation of the supply relationship.
- (f) Notwithstanding § 438 para. 1 no. 3 BGB and § 634 a BGB, the general limitation period for claims for defects is three years from the passing of risk, unless longer statutory periods are given. If acceptance has been agreed, the limitation period shall commence upon acceptance.

(g) The supplier's warranty also extends to the parts supplied by his sub-suppliers. The supplier is not entitled to assign claims against the respective sub-supplier to plaintiffs and to make his own warranty obligation dependent on the fact that the action of plaintiff against the sub-supplier was unsuccessful.

14. compensation and liability insurance

(a) The supplier shall be liable to the extent provided by law - e.g. for delay, non-performance or poor performance of obligations arising from the contractual relationship, tortious acts or culpa in contrahendo (cf. § 311 BGB) - for compensation for damages of any kind, including reimbursement of expenses and indirect damages, in particular damages arising from a loss of production caused by the delivery item. The supplier is also liable in particular to the statutory extent if he employs vicarious agents or assistants. A limitation of liability in terms of the amount is objected to.

(b) If claims are made against plaintiffs on the basis of producer liability or on the basis of violation of official safety regulations or similar under domestic or foreign law, the supplier must reimburse the plaintiff for the damage incurred insofar as his delivery or his conduct was defective and was the cause of the damage.

(c) The supplier is obliged to maintain an appropriate liability insurance policy, which covers in particular the risks of product liability and the risks which may arise from a production stoppage at the plaintiff's premises. Unless otherwise provided for in the order or agreed otherwise in writing between the supplier and plaintiff prior to conclusion of the contract, the supplier shall take out insurance with an insurance company approved by plaintiff, on conditions approved by plaintiff and with a minimum insurance sum of € 25,000 per claim. The supplier undertakes to provide appropriate proof of the existence of the insurance and the ongoing payment of his insurance premiums on request. With regard to the supplier's liability for his employees, the insurance should be unlimited in terms of the amount.

15. secrecy

(a) The supplier is obliged to treat the order of plaintiff and all commercial and technical details connected with it, which are not public knowledge, as business secrets and to

keep them secret for a period of 5 years after conclusion of the contract. The supplier may only advertise the business relationship with plaintiff if plaintiff has given its prior written consent. The supplier may not make third parties aware that he supplies plaintiffs with goods or services, unless this is necessary for the execution of the contract.

- (b) Products manufactured according to documents drafted by Klaeger, such as drawings, models, confidential information and the like, or manufactured with tools of Klaeger or copied tools, may not be used or copied by the supplier himself or made available to third parties without the written consent of Klaeger. The supplier is liable for damages in case of infringement.
- (c) Parts which Klaeger has developed or further developed with the help of the property of Klaeger, according to information provided by Klaeger or in cooperation with the supplier, may only be delivered by the supplier to third parties with the prior written consent of Klaeger.

16 Place of performance, applicable law, place of jurisdiction

- (a) The place of performance for payment and for delivery is the registered office of Klaeger in Kernen.
- (b) These Terms and Conditions of Purchase and the entire legal relationship between the plaintiff and the supplier shall be governed exclusively by the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980.
- (c) Stuttgart, Germany, is agreed as the exclusive - also international - place of jurisdiction for all present and future claims arising from the business relationship between the plaintiff and the supplier, including claims based on bills of exchange and cheques, provided that the supplier is a registered trader or a legal entity under public law. However, plaintiff is also entitled to file a suit at the supplier's headquarters.

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