

**eltherm production GmbH**  
**General Conditions of Purchase**

**1. Orders**  
 Only a written purchase order has binding effect for the Buyer. Purchase orders placed verbally or by telephone become binding only after receiving written confirmation. Upon receipt the order must be confirmed by the Seller. If the Seller fails to acknowledge the order, the terms and the conditions set forth herein shall be deemed to be accepted. Unless otherwise stipulated in the order form, these General Conditions of Purchase are exclusively applicable to the order. The incorporation of the Conditions of Sale and Purchase of the Seller is hereby explicitly rejected. Seller's terms only become an integral part of the contract if expressly accepted in writing by eltherm. As a general rule, orders figure agreed fixed prices. In the exceptional event of placing an order without prices, prices shall come with the order acknowledgement or, otherwise, as soon as available. In that case prices are deemed to be accepted, if not rejected by eltherm. Unless otherwise agreed, goods must be delivered freight and packing costs, cartage charges and transport insurance included.

**2. Payment Terms**  
 eltherm pays the invoices either within 14 days with a 2 % discount or within 30 days net upon receipt of the invoice unless the goods are delivered at a later date. Regardless of any payment terms agreed, it is understood that invoices become due 30 days after delivery and invoicing in accordance with the contract at the earliest.

**3. Time of Delivery / Delays in Delivery / Penalties**  
 Orders must be executed at the date/dates agreed. The delivery period starts on the date of the order placement. Irrespective of the term related to the delivery dates and periods, these dates and periods are understood to be agreed the fixed deadlines. In case of a delivery delay, eltherm is entitled to apply legal rules on remedies for delay without the need to set an extension of time. Notwithstanding the previously mentioned, Seller must advise eltherm immediately of any event that may cause a delay of supplies or services as well as the duration of such an event. eltherm shall be entitled to ask for a contractual penalty irrespective of the origin of the delay. The penalty amounts to 3 % of the contract value if the delivery period exceeds 8 days and thereafter to 1 % of the contract value for each following week of delay. Acceptance of delayed shipments does not exclude the right to claim for remedies. Moreover, the right to claim for other indemnities remains unaffected.

**4. Termination / Cancellation and Claim for Damages**  
 eltherm is entitled to cancel the order without the need to set an extension of time and irrespective of the right to apply further legal remedies if, after placing the order, eltherm envisages long-term interruptions at their facilities or the production plants of sub-suppliers (e.g. acts of war, epidemics, strike, logouts, currency devaluation, etc.), serious economical weakness or other circumstances affecting the financial situation of their customers. Likewise, eltherm is entitled to reduce agreed partial quantity volumes or to extend the delivery period instead to terminate the contract. If eltherm exercises these rights, Seller shall not be entitled to claim for damages.

**5. Guaranteed Properties of Goods / Services**  
 Seller undertakes to provide expert consultancy according the latest state of technique. Information on the goods / services provided by the Seller, his employees, representatives or authorized third parties during contract negotiations or consultancy services is deemed to be guaranteed properties of products / services.  
 Seller guarantees that the products comply with all applicable standards, latest technical and legal requirements as well as relevant safety and protection regulations of supervisory bodies. Moreover, Seller ensures that the goods are free from any damages and defects and are supplied as specified in the order in terms of technical requirements, quality and quantity. Seller undertakes to assume said guarantee for goods produced by his sub-suppliers. Required protective equipment shall be supplied free of charge even without specifically mentioned in the order. All consequences arising

from negligence thereof shall be borne by the Seller. Seller guarantees that the products are suited for unrestricted use and purpose as defined in the order and comply with the high performance and quality requirements recently available on the market.  
 Upon receipt of an order, the Seller undertakes to inform eltherm if the products subject to that order are not identical to the products supplied in the past with the code stated in the order. Moreover, Seller will specify the details of such modifications such as, for instance, changes in size, weight, shape, color, properties and composition in terms of quantity or quality.

**6. Delivery Terms**  
 Delivery notes shall clearly state the order number and come in triplicate with the shipment. All packages and cartages shall clearly describe the content. Likewise, delivery notes must name partial shipments, if so, which are subject to eltherm's explicit written approval. Once the goods / services have been delivered, Seller will immediately dispatch the invoice in duplicate.  
 Unless goods are not shipped by train or by post, they can be supplied to eltherm's goods reception department at normal business hours.  
 Seller has to bear the risks and costs of the transport up to the place of destination. In case non-chargeable loading means are used (bins, pallets, crates), the shipping documents must clearly state the 'chargeable' weight. Costs resulting from non-observance of this instruction must be borne by the Seller.

**7. Deficiencies / Complaints**  
 In the event of obvious deficiencies of deliveries, eltherm meets their obligation to report it at least 10 days after receipt of the goods, depending, however, on the circumstances related thereto. Major deficiencies or shortcomings do not mandatorily result in the obligation to immediately notify the defects.

**8. Warranty / Liability**  
 Seller warrants that, within the warranty period, the products and services delivered comply with all applicable technical standards and are free from any defects that may affect the intended use of the product as foreseen in the order or, if not specified, does not comply with the standard properties of such product. If, 6 months after delivery, a deficiency/defect becomes obvious, it is understood that it already existed when the product was delivered. Seller has to bear costs and risk of the return of such defective products. Furthermore, Seller shall indemnify the eltherm for any extra costs in terms of material or workmanship resulting from the defective products.  
 Seller holds eltherm harmless from any claims for indemnities or warranty raised by eltherm's customers in relation to defects of the products supplied by the Seller or his agents / representatives. Likewise are excluded claims for consequential losses and damages due to defects.

**9. Patents, Copyrights, Trademarks**  
 The Seller undertakes to hold eltherm harmless from any claims arising out of an infringement of industrial property rights or copyrights as well as any other rights of third parties in relation to the products or services delivered.

**10. Partial Invalidity and Severability**  
 In case any provisions in connection with the order become ineffective or partially ineffective, the contractual parties must promptly arrange to replace such invalid agreement. The validity of the remaining provisions shall not in any way be affected or impaired thereby.

**11. Place of Performance, Court of Jurisdiction, Governing Law**  
 German law applies exclusively under exclusion of UN Convention on Contracts for the International Sale of Goods (CISG). The sole place of jurisdiction arising from or in connection with the order is Siegen without prejudice of eltherm's right to make a claim against the Seller at his place of jurisdiction.