

**General Purchase and Payment Conditions
of Speck Pumpen Systemtechnik GmbH (Speck)
Regensburger Ring 6-8, 91154 Roth**

1. Validity of our purchase and payment conditions and exclusion of other conditions

Our purchase and payment conditions form the basis of all contracts and agreements. Our supplier accepts these conditions with confirmation of order or execution of his delivery. Deviating conditions of the supplier, which we do not accept explicitly in writing, are not binding for us under any circumstances, even if we do not object to them explicitly. Provided that we do not make any regulations in our purchase and payment conditions, the law applicable in the Federal Republic of Germany applies with respect to possible conditions of our supplier, except for the United Nations Convention on Contracts for the International Sale of Goods (CISG), whose validity we explicitly exclude.

2. Order and confirmation of order

Our orders are binding only if we issue these in writing or the confirmation in writing of orders through the supplier issued verbally by us is confirmed for our part in writing. Speck reserves property rights and copyright to written documents, such as drawings and other documents. These documents must not be made accessible to third parties.

Orders carried out by us are to be confirmed through the supplier **immediately** in writing. With confirmation through the supplier, these purchase and payment conditions applied by us are valid as being accepted by the supplier, regardless of individual specifications concerning the content of our order. Provided that the confirmation of order of the supplier deviates from our order, this is valid as a new application of the supplier which must be accepted by us explicitly in writing. Our lack of response does not imply approval under any circumstances.

3. Delivery time and claim for damages, as well as contractual penalty in case of delay

The delivery times communicated or arranged by us in case of orders are binding fixed schedules. We reserve the right to additionally issue a reminder and to thus induce delay of the supplier. A reminder can be dispensed with if the supplier refuses the service seriously or finally or for special reasons, taking into account the interests of both sides, the immediate inducement of the delay is justified.

For every full calendar week which the supplier is in delay with the service to be provided to us (also for partial deliveries), we are entitled to demand a contractual penalty of 1% of the net order value of the supplied objects and to deduct this amount from the accounts receivable of the supplier. Our entitlement to demand contractual penalties exists regardless of our right to withdrawal and our right to discounts according to these conditions.

In case of delay of the supplier we are authorised to resign from the contract following the issuing of an adequate notice period for the implementation of the delivery. The legal claims for compensation to which we are entitled remain unchanged by that.

4. Dispatch, transport, passage of risk and insurance

Provided nothing other has been arranged, all dispatches are to be delivered by the supplier free of charge to our works / storage facilities. In case of delivery through a forwarding agent (truck), carriage or similar compensation is at the expense of the supplier. If we should be compelled with respect to the forwarding agent, based on carriage or similar compensation, to make any advance payments, we can deduct these amounts from the payment for delivery.

Packaging costs of the supplier are to be itemised separately in the bill and we are entitled to deduct the packaging costs on payment of the bill of the supplier if we return the packaging free of freight charges.

The supplier is obliged (independently of the regulations in this agreement concerning the place of performance) to insure the goods to be supplied to us for transport against damage incurred during transit of all type (falling or degradation of the goods), in order to ensure our trouble-free supply. This is fulfilled only on transfer of the goods to us in the works / storage facilities.

5. Payment

Provided nothing other has been arranged, following receipt of the delivery in trouble-free status, according to our choice, we make payment within two weeks with deduction of 3% discount or after 90 calendar days net without deduction. Our payment is implemented always subject to reservation of an adjustment, if a complaint of the delivery should subsequently result which entitles us to a deduction in payment.

6. Deficiency claims because of material defects and deficiencies in title

The legal deficiency claims to subsequent fulfilment (replacement delivery or improvement repair) and the right to withdrawal, as well as the right to price-reduction after failure of the subsequent fulfilment and the right to demand compensation for damages, also in case of inclusion of futile expenditures, are subject to the statute of limitations at least two years from delivery of the goods to us in the works / storage facilities.

The communication of the readiness to dispatch by the supplier or the issue of the goods for dispatch to us does not initiate statutory limitation periods as contractually arranged or stipulated by law for deficiency claims.

The supplier vouches for the utilisation of the best and appropriate material, for proper construction and implementation corresponding to the general technical standards, as well as for trouble-free installation.

If any deficiency should be determined in the goods supplied by the supplier in the course of the statutory limitation period for deficiency claims of at least two years, provided not arranged longer, we are entitled to subsequent fulfilment according to the legal rights of the German Civil Code (BGB) after failure of subsequent fulfilment, withdrawal or reduction, and to additional claims for damages.

We object explicitly to every limitation of the liability of the supplier in case of intentional or grossly negligent behaviour by himself or his managerial employees, and to the exclusion of legal liability regulations of the supplier for his employees, performance and completion assistants in the sense of the legal specifications.

We are obliged to examine the goods in our works / storage facilities as far as this corresponds to proper transaction and to immediately report defects that are identifiable, as well as to report hidden deficiencies immediately following their subsequent discovery.

In case of the replacement delivery and in case of improvement repair, the statutory limitation period of two years begins for deficiency claims (in case of another agreement a longer limitation period for deficiency claims) for the objects supplied as an alternative and/or as far as the scope of the improvement repair suffices, with acceptance of the improvement repair or acceptance of the replacement goods.

Regardless of legal stipulations concerning deficiency claims of the German Civil Code (BGB), and without limitation of our right to withdrawal (3. above), we are authorised to have produced through third parties any required repair works or required replacement deliveries in urgent cases, in order to avoid inappropriate economic disadvantages for us, in a manner we consider suitable, and to invoice the supplier with the costs arising from that.

We are entitled at any time, in case of our claims from the entire business relation with the supplier, with respect to his claims, to offset payment for the goods supplied by him, independently of whether the supplier recognises our counter-claims or whether our counter-claims have been legally validated.

If the use of the goods supplied by the supplier leads to violation of industrial property rights or copyrights or similar rights in Germany and internationally, the right to further use shall be provided to us by the supplier at his own expense, or the goods shall be modified in a manner acceptable for us in such a way that the violation of industrial property rights or copyrights in Germany and internationally does not exist any longer.

If the removal of the violation of industrial property rights or copyrights or similar rights in Germany and internationally is not possible at conditions appropriate for us, we are entitled to withdraw from the contract.

The supplier shall exempt us from claims of domestic or foreign holders of industrial property rights or copyrights or similar rights.

7. Product liability

In the event action is taken against us based on product liability, the supplier is obligated to indemnify us against such third-party claims if and to the extent such damage was caused by a defect in the items delivered by the supplier. In the event of fault-based liability, this shall apply only if the supplier is at fault.

In the event sec. 9 applies, the supplier shall bear all costs and expenses including costs for any prosecution.

Apart from that, legal stipulations apply.

In the event of any recall campaign totally or partially based on a defect in a subject matter of contract delivered by supplier, we will notify the supplier, we will give him the opportunity to cooperate and will interact with him for efficient conduct of such recall campaign unless such supplier notification or cooperation is impossible due to exigent circumstances. To the extent such recall campaign is based on a defect in a subject matter of contract delivered by supplier, the supplier will bear the costs of such recall campaign.

The supplier is obligated to take out a product liability insurance with adequate coverage and upon request to demonstrate the existence of such policy to us.

8. Assignment and pledging

The assignment or pledging of claims against us may be implemented by the supplier on a commercially legal basis only with our explicit, written approval.

9. Processing, linking, mixing and reservation of ownership

The goods ordered by us with the supplier and supplied by same shall become our property generally through processing, linking, mixing or mixing in association with the manufacture of our products.

We therefore do not recognise reservations of ownership of our suppliers under any circumstances. Our suppliers are obliged to inform us before the effective execution of the delivery if they themselves are not the owners of the goods supplied to us due to corresponding commercial-legal agreements with their contract partners.

If the ownership of the goods supplied to us by our supplier should not be transferred to us with the delivery of the goods to us at our works / storage facilities, or through agreement of a ownership transfer relationship, we are entitled (if this circumstance becomes known to us) to resign from the contract without granting any period of time settlement and to demand back the purchase prices paid for the goods concerned or to withhold corresponding payment to the suppliers.

We object to every clause of our suppliers, according to which we should be obliged to transfer to the supplier those claims arising from the further sale of the goods for the protection of the purchase price claim of the supplier. We are not prepared to carry out processing or reworking of goods subject to reservation of ownership for the supplier, and to transfer the joint ownership shares to the suppliers in case of processing, linking, mixing or mixing of reserved goods with our goods, or to guarantee such resulting goods for our supplier free of charge. We further object to every obligation of our suppliers to have goods subject to reservation of ownership insured against any damage at our costs.

10. Drawings and models

All drawings, calculations or models handed over to our suppliers for the implementation of orders remain our property and, at the latest, after implementation of the order and at any time on our requirement, to be returned immediately clear of all charges.

11. Compliance

The supplier shall observe all provisions on conflict minerals contained in Section 1502 of the Wall Street Reform and Consumer Protection Act („Dodd-Frank Act“). If material out of the group of conflict minerals is required for the production or the function of the products delivered by the supplier, the origin of the used materials must be assured.

The supplier for services and work performances assures that he pays the full amount of the minimum wages to his employees in time and constantly. He also observes all further regulations of the minimum wage law. Furthermore he undertakes that instructed subcontractors will also meet the obligations of the minimum wage law. Upon customers request, the supplier has to prove the observance of the regulations regarding the minimum wage law.

The supplier for services and work performances shall indemnify the purchaser against all claims of third parties (especially employees) on first request, based on a breach of his obligations regarding the minimum wage law or of the instructed subcontractors.

The seller ensures the security within the supply chain (Supply Chain Security) and observes the corresponding legal requirements. The seller undertakes to provide reasonable evidence on request of the buyer, e.g. by certificates or declarations of conformity with the respectively valid EC regulations (eg 1907/2006 / EC (REACH)) / EU directives (eg 2011/65 / EU (RoHS)), as far as these were not already provided upon delivery of the product.

12. Deviating agreements

Deviations from these conditions require an explicit written agreement for their validity.

13. Place of performance and place of jurisdiction and applicable legal / severability clause

The location of our headquarters is place of performance for all obligations arising from the contractual relationship between us and the supplier.

The place of jurisdiction for all legal disputes arising from the contractual relationship, as well as arising concerning its origin and its effectiveness, is determined by the location of our headquarters, however, it is our choice to also make our claims legally applicable at the location of the headquarters of the supplier, regardless of existing legal places of jurisdiction.

The contractual relationship to our supplier is subject to the law of the Federal Republic of Germany (except for the UN United Nations Convention on Contracts for the International Sale of Goods (CISG)). If individual stipulations of this condition should not be effective, these legal provisions replace them.

If individual stipulations of the contract between us and the supplier, including these conditions, should be, or should become, ineffective, completely or in part, the validity of the remaining stipulations is not affected by that.

The wholly or in-part ineffective regulation should be replaced by a regulation whose economical result comes closest to the result targeted by the ineffective regulation.