

Standard Terms of Purchasing

1 General - scope of application

- 1.1. The Terms of Purchasing of **Petrotest GmbH** (hereinafter **Petrotest**), Ludwig-Erhard-Ring 13, 15827 Dahlewitz, shall apply exclusively; the Supplier's conflicting terms or terms deviating from the Terms of Purchasing shall not be recognised unless **Petrotest** expressly consents to their application in writing. The **Petrotest** Terms of Purchasing shall also apply if **Petrotest** in awareness of the Supplier's conflicting terms or terms deviating from its Terms of Purchasing accepts the delivery unconditionally.
- 1.2. The **Petrotest** Terms of Purchasing shall only apply to entrepreneurs within the meaning of Sec. 310 Para. 1 of the Civil Code.

2 Offer - documentation for offer

- 2.1. If the offer is made in the form of an order placed by **Petrotest**, **Petrotest** shall be bound by this offer (order) for a period of 14 days from the date of this offer.
- 2.2. **Petrotest** reserves title and copyright to illustrations, drawings, calculations and other documentation; they shall not be made available to third parties without its express consent. They are to be used exclusively for the production on the basis of the order. They shall be kept confidential as against third parties, and on this point the provision of Section 9.5 shall apply in supplement.
- 2.3. Documentation material such as user instructions, spare parts lists, service instructions or brochures shall be supplied in German.

3 Prices - terms of payment

- 3.1. The price specified in the order shall be binding. In the absence of a written agreement, the price shall include delivery "carriage-paid" including packaging.
- 3.2. Unless specified otherwise, the price set out in the order shall not include statutory value added tax.
- 3.3. **Petrotest** can only process invoices if they state the order number provided in the details of our order; the Supplier shall be liable for all consequences of the failure to comply with this obligation unless it can prove it is not responsible for such.
- 3.4. Unless agreed otherwise in writing, **Petrotest** shall pay the purchase price within 30 days after delivery and receipt of the invoice. If payment is made within 14 days after delivery and receipt of the invoice, **Petrotest** shall deduct a 3% discount.
- 3.5. We shall be entitled to rights of offset and retention to the extent permitted by law.

4 Delivery date - insurance

- 4.1. The delivery date specified in the order shall be binding.
- 4.2. The Supplier shall be obliged to notify **Petrotest** immediately in writing if circumstances occur or become apparent that indicate that the agreed delivery date cannot be met.
- 4.3. In the event of delivery default, **Petrotest** shall be entitled to the claims allowed by the law. In particular, **Petrotest** shall, after the unsuccessful expiry of a reasonable period, be entitled to claim damages instead of performance and withdrawal from the contract. In the event of a claim for damages, the Supplier shall be entitled to prove to **Petrotest** that it was not responsible for the breach of duty.
- 4.4. The transport of all objects of delivery shall be insured by **Petrotest**. The Supplier shall be responsible for the costs of additional insurance for the objects of delivery.

5 Transfer of risk - documents

- 5.1. Unless agreed otherwise, the delivery shall be provided carriage paid.
- 5.2. The Supplier shall be obliged to state the order number of **Petrotest** exactly on all shipment papers and delivery notes; if it fails to do so, **Petrotest** shall not be responsible for the delays in processing.

6 Inspection for defects - liability for defects

- 6.1. **Petrotest** shall be obliged to inspect the goods within a reasonable period for any deviations in terms of quality and quantity; the complaint shall be lodged on time if it is received by the Supplier within a period of 5 working days starting from the receipt of the goods or, in the case of concealed defects, from discovery of the defect.
- 6.2. **Petrotest** shall be entitled to the statutory rights with respect to defects without restriction; in any event, it shall be entitled to demand at its choice that the Supplier remedy the defect or deliver a new item. **Petrotest** expressly reserves the right to claim damages, in particular the right to damages in lieu of performance.
- 6.3. **Petrotest** shall be entitled to remedy the defect itself at the Supplier's expense if despite the setting of a reasonable grace period the Supplier fails to remedy the defect and if the Supplier is responsible for such failure.
- 6.4. The limitation period for claims shall be 36 months starting from the transfer of risk.
- 6.5. If the object of delivery is sent in or returned because of a defective delivery, the Supplier shall bear the costs of this shipment and of the packaging.

7 Product liability - release - liability insurance cover

- 7.1. If the Supplier is liable for a product damage, it shall be obliged to release **Petrotest** from third party claims for damages upon first demand to the extent that the cause occurred within its sphere of control and organisation and if it is liable itself to third parties.
- 7.2. Within the framework of its liability for losses within the meaning of Section 7.1, the Supplier shall also be obliged to reimburse **Petrotest** for any expenditure pursuant to Secs. 683 and 670 of the Civil Code or pursuant to Secs. 830, 840 and 426 of the Civil Code that results from or in connection with a recall campaign carried out by **Petrotest**. **Petrotest** shall to the extent possible and reasonable notify the Supplier about the content and scope of the recall measures to be implemented and give it an opportunity to comment thereon. This shall not affect other statutory claims.
- 7.3. Unless agreed otherwise, the Supplier shall be obliged to maintain a product liability insurance with a cover of € 10 million per injury to persons/damage to property – globally; if **Petrotest** is entitled to more extensive claims, such shall not be affected by the aforesaid.

8 Intellectual property rights

- 8.1. The Supplier shall be liable for ensuring that no third party rights within the Federal Republic of Germany are infringed in connection with its delivery.
- 8.2. If a third party lodges a claim against **Petrotest** for such reason, the Supplier shall be obliged to release **Petrotest** from such claims upon first demand in writing, unless it was not responsible for the infringement of the right in question. **Petrotest** shall not be entitled to conclude any agreements of any kind with the third party, in particular a settlement, without the Supplier's consent.
- 8.3. The Supplier's obligation to release shall apply to all expenditure that we necessarily incur as a result of or in connection with the claim lodged by a third party.
- 8.4. The limitation period for claims shall be ten years starting from the conclusion of the contract.

9 Reservation of title - provision of materials - tools - confidentiality

- 9.1. If **Petrotest** provides components to the Supplier, it shall retain title to such. Processing or conversion by the Supplier shall be effected for **Petrotest**. If the goods to which it retains title are processed with other goods to which it has no title, it shall acquire joint title of the new product in the same ratio as the ratio between the value of its goods (purchase price plus value added tax) and that of the other goods processed at the time of such processing.
- 9.2. If the goods provided by **Petrotest** is mixed inseparably with other goods to which it has no title, **Petrotest** shall acquire joint title of the new product in the same ratio as the ratio between the value of its goods (purchase price plus value added tax) and that of the other goods processed at the time of such mixing. If such mixing is effected in such a way that the Supplier's goods are to be regarded as the main goods, it is deemed to be agreed that the Supplier shall assign to **Petrotest** pro rata joint title; the Supplier shall hold the sole title or the joint title for **Petrotest**.

- 9.3 If the securing rights to which **Petrotest** is entitled to pursuant to Section 9.1 and/or Section 9.2 exceeds the purchase price of all **Petrotest's** goods subject to title and not yet paid for by more than 10%, **Petrotest** shall upon demand by the Supplier be obliged to release the securing rights at its choice.
- 9.4 **Petrotest** reserves title to tools made available by **Petrotest** to the Supplier; the Supplier shall be obliged to use such tools exclusively for the production of the goods ordered by **Petrotest**. The Supplier shall be obliged to insure the tools belonging to **Petrotest** at its own expense against fire, water and theft damage at replacement value. At the same time, the Supplier hereby in advance assigns to **Petrotest** all claims for compensation under such insurance; **Petrotest** hereby accepts such assignment. The Supplier shall at its own expense be obliged to carry out in good time any maintenance and inspection works on the tools provided by **Petrotest**, and any upkeep and repair work. It shall report any defects immediately; if it culpably fails to do so, claims for damages shall not be affected.
- 9.5 The Supplier shall be obliged to maintain strict secrecy with respect to all illustrations, drawings, calculations and other documents and information received. It shall only disclose such to third parties with the express consent of **Petrotest**. The obligation to maintain secrecy shall continue to apply after termination of this contract; it shall expire if and to the extent that the production knowledge contained in the illustrations, drawings, calculations and other documents and information provided has become general knowledge.

10 Applicable law - legal venue - place of performance

- 10.1. The present contract shall be subject to German law exclusively. The application of the UN law on sales is excluded.
- 10.2 The registered office of **Petrotest** is at Dahlewitz.
- 10.3 If the Supplier is a merchant, the place of the registered office of **Petrotest** shall be the legal venue; however, **Petrotest** shall also be entitled to file an action against the Supplier at the court with jurisdiction for its place of residence.
- 10.4. Unless the contrary follows from the order, the place of performance shall be the registered office of **Petrotest**.