

GENERAL PURCHASING CONDITIONS

of Wera Werk s.r.o. effective 1st January 2014

1. Validity

The following Purchasing Conditions apply to all our purchase orders, including future orders placed on parties with whom we have entered into contract, even if these conditions have not been again expressly agreed and/or the seller has not been informed about the amendment.

2. Conclusion of contract

All of our purchase orders, subsidiary agreements and undertakings are valid only when given in writing, which includes the waiver of the right to said written form. Insofar as members of our staff may verbally enter into subsidiary agreements or give undertakings, these shall at all times require our written confirmation.

These general purchasing conditions shall take precedence over the business conditions of the seller, even if the difference is insignificant.

3. Variations of the subject of supply

If it is reasonable and acceptable for the party with whom we are contracting, we may demand variations in respect of design and workmanship in the subject of supply (hereinafter as "goods") or in performances to be effected.

The consequences of such variations, in particular in respect of increases and reductions in cost and in respect of delivery times, shall be subject to a prior mutual consent between the contracting parties.

4. Prices

All prices are fixed prices.

Unless a different price has expressly been agreed upon, the applicable price for the goods within the framework of the transaction shall be the list price of our contracting partner or the price pursuant to the documentation submitted to us during the last 12 months prior to the submission of our order. If no such price list has been provided to us during the last 12 months, the applicable price shall be the price last invoiced for the same or similar performance. In all other cases, the applicable price shall be the price for which the goods are usually sold under similar conditions, pursuant to the provisions of Section 2085 Para 2 of the Civil Code.

If list prices have been agreed upon, our contracting partner may only charge those prices which accord with the price list most recently brought to our attention, unless said party, no later than at the time of our purchase order, shall have advised us expressly and in writing of a change of price.

Unless otherwise agreed, the price shall include all secondary costs, especially the costs of transportation of the goods to our premises, transportation costs and packing. In the case of purchase orders placed abroad, the goods shall be delivered to us at the agreed price duty paid. Clauses governing price adjustments and price increase are excluded, as are any agreements regarding the acceptance of list prices applicable on the date of delivery.

5. Invoicing and payment

Invoices must be sent to us in two separate counterparts or via e-mail, if the latter is permitted pursuant to the applicable law. They must include our business reference and our order number and they must conform to the relevant provisions of the applicable legal regulations. Invoices which do not conform to these conditions may be returned to the contracting partner for completion. The deadline for payment shall commence only upon the delivery of a proper invoice.

Invoices are due within 7 days from the receipt of a complete invoice, with a 2% discount, or within 21 days without any discount. We shall also be entitled to deduct a discount in the event that we may make offset or any legitimate retention.

We are entitled to make all payments at our discretion, either in cash, via our provider of financial services, check or bill of exchange. Costs arising from international money transfers shall be done by the party with whom we are contracting. Fees from our banking-house are not included (SHA).

The date of payment shall be the date on which the respective amounts are deducted from the account maintained by our provider of financial services. In the event of any default in payment, the seller shall be entitled to a late interest as stipulated by the relevant legislation. Our contracting partner shall not be entitled to any compensation of damages in excess of said late interest. The seller shall bear all risks associated with foreign exchange rates.

6. Delivery and risk transfer of damage of goods

The risk of damage of the goods in any event shall be transferred to us only upon the takeover of the goods and performance on our premises or at any place defined by us for this purpose. Shipment details must be given to us no later than at the time the goods are dispatched. Our shipping address and our order number must be specified in the goods dispatch note and on the address label on the package. Each delivery must be accompanied by a properly completed delivery note which must bear all details required by us. These details are as follows:

order no. + date, order item no. for each item delivered, order code no. + article designation for each item delivered, cost centre, project no. (where available), name of recipient and a reference to the delivered quantity of each delivery item, whether this will be a part-delivery = T, full delivery = G or a replacement delivery = E. Details required on delivery notes may be varied by us at any time unilaterally by means of a written notification and by dint of said notification of variation shall become part of the contract. In the absence of such a delivery note, or if such note should fail in whole or in part to include the specified details, we shall be entitled to return the goods at the expense of the party with whom we are contracting or to accept the same whilst charging for the additional cost involved.

7. Delivery times and dates

The delivery times and delivery dates specified in our purchase order are binding. The purchaser reserves the right to refuse preliminary deliveries of goods or services. Delivery times apply from the date of our written order. The delivery date is the date upon which goods are received at our premises or at the place of receipt specified by us; for performances this date shall be the date of acceptance.

Should our contracting partner know about any risk of a possible delay in delivery for whatever reason, we must be informed immediately about the reasons and expected duration of this delay.

Should our contracting partner actually be in default in delivery we shall be entitled to claim from the partner a contractual penalty corresponding to 1 % of the value of the delivery for each complete week of the delay, but in any event not more than 10 % of the value of the delivery. Our right to claim actual damages shall remain unaffected. In the event of our contracting partner's delay in delivery, we shall be entitled to obtain the goods from alternate sources in order to avoid any disruption of our production. Our contracting partner shall be obliged to compensate the difference between the contractual price (cf. clause 4) and the price for the alternate purchase. Our contracting partner shall have the right to prove that no loss at all resulted from the delay or that it was much lower than claimed.

8. Handover of goods and notification of defects

Deliveries involving significant quantities of the same items, especially smaller subcontractor parts, are examined via random sampling procedure. The supplier acknowledges the fact that this procedure constitutes the fulfilment of the obligation of the purchaser to inspect the goods immediately after receipt, pursuant to the provisions of Section 1965 of the Civil Code. Should said random inspection reveal defective goods, we are entitled, at our discretion, to reject the entire delivery without further inspection or to carry out a new inspection and the costs shall be entirely overtaken by the contracting partner.

We shall be obliged to inform our contracting partner without an undue delay only about obvious and easily ascertainable defects, as well as any excess or shortfall in performance; the provisions of Section 2112 of the Civil Code shall not apply in other aspects.

If, pursuant to a relevant agreement, the goods are not delivered to us but to a processor or end customer nominated by us we shall be obliged to inspect the goods only as soon as they arrive at our premises. In addition, we shall be obliged to inform about obvious defects and shortcomings and any excess or shortfall in performance.

9. Quality, documentation and quality guarantee

Our contracting partner shall be obliged to ensure that their goods or performance, during the whole warranty period, conforms to the most recent relevant technical regulations, technical standards and generally binding legal regulations governing technical specifications of products. In addition, the contracting partner is obliged to make sure that their goods or performance conforms to the requirements arising from the anticipated use, i.e. the production of hand-held tightening tools.

The contracting partner shall be obliged to provide, at our request, a specimen, sample and/or product data sheets. The qualities of this specimen or sample and the data contained in product data sheets shall be deemed decisive with regard to the quality of the product. Furthermore, the contracting partner shall be obliged to submit, at our request, certificates and declarations of conformity to prove that the goods in question conform to generally binding legal regulations.

Warranty period of one year applies to delivered movable products, unless the regulations refer to the dictate below where the period is longer.

The warranty period with respect to the delivery of movable property shall be two years

- if the goods are not intended for immediate processing and if they have been ordered as warehouse stock (which fact is known to the supplier);
- in respect of hidden defects which cannot be ascertained via the regular inspection of goods upon receipt and which become apparent through customers' complaints;
- in the case of deliveries of machinery, tools, equipment and systems which can be declared as "free from defects" after a certain longer period of use;
- if defects were notified upon receipt but the goods were accepted with reservations since, at the time of acceptance, no valid statement of subsequent defects or damage could be made. The contracting partner shall be responsible for subsequent damages notified by Wera Werk s.r.o.

In addition to our legitimate claims arising from the liability for defects, in the case of purchase contracts and contracts for work we are entitled to require that our contracting partner repair faulty goods or carried works within a reasonable period of time. Should this period of time lapse we shall have the right, in addition to raising claims arising from the liability for defects, repair the defects ourselves or through a third-party provider and claim that our contracting partner pay the costs incurred with regard to the remedy of defects, including the assembly and disassembly costs. This provision does not affect other rights of the purchaser arising from the liability for defects or damage.

The warranty period for repaired or replaced items shall be one or two years, as the case may be pursuant to the provisions mentioned above.

10. Assignment

Claims and other rights towards our company can be assigned only with our express in written consent.

11. Liability of the manufacturer

Should our customers or other third persons bring claims against us with regard to the liability for products supplied by our contracting partner or with regard to the compensation of all losses caused by product defects, our contracting partner is bound to indemnify us and compensate us for any costs incurred with respect to these claims.

Under the aforementioned circumstances the contracting partner shall also be obliged to indemnify us against the costs of litigation brought against us as a result of these claims.

In addition, our contracting partner shall also be obliged to reimburse us for all expenses resulting from order cancellation or in relation to it, as long as this cancellation shall result from risks, defects or damage of the product for which the supplier is responsible pursuant to the legal regulations governing product liability compensations.

If and where practicable, we shall inform our contracting party about the extent and content of the intended measures towards the cancellation of our order and we shall give them the opportunity to take a stand.

The aforementioned provisions shall not apply if product defects or shortcomings are attributable to our intent or gross negligence.

Our contracting partner undertakes to take out and maintain, throughout the entire warranty period, product liability insurance corresponding to the scope of their activities, in the amount covering the potential hazards arising from product defects.

12. Models, tools, specimens and drawings

Models, matrices, testing samples, tools, drawings and other documents or resources made available by us shall remain our property. The right of lien is excluded. Our contracting partner undertakes not to make these items available to any third party without our expressed consent. In addition, the partner undertakes not to copy them or use them for purposes unrelated to the performance of our order.

The same shall apply to drawings or documents drawn up by the contracting partner based on our specifications. With regard to the aforesaid, the parties have agreed that title to these materials shall pass to us upon the completion of the order and that, in the meantime, they shall be kept in the custody of our contracting partner.

For each case of the breach of the aforementioned provisions, our contracting partner undertakes to pay a contractual penalty of EUR 10,000. The right for compensation of actual damages in excess of the penalty (if any) shall remain unaffected. However, any contractual penalty shall be offset against the claim for the compensation of damages.

13. Protection of intellectual property rights

Our contracting partner guarantees that the goods to be manufactured or supplied by the partner does not cause any breach of any domestic or foreign intellectual or industrial or other property rights (hereinafter as "intellectual property"). Our contracting partner undertakes to compensate us or our customers for any losses arising from any infringement of intellectual property rights caused by our goods which were manufactured or supplied by the partner, and to join us in any litigation brought against our company as a result of any aforementioned infringement and to indemnify us against any costs of this legal proceeding.

The aforementioned provisions do not apply if the contracting partner has manufactured an item according to drawings, models or other specifications and data supplied by us, and the partner is not, and does not have to be, aware of the fact that the infringement of intellectual property rights has occurred.

Should this be the case, we undertake to compensate our partner for any losses arising from the infringement caused by the goods manufactured or supplied by the partner, and to join the partner in any litigation brought against the partner as a result of any aforementioned infringement and to indemnify the partner against any costs of this legal proceeding.

The contracting parties undertake to inform one another without an undue delay about any imminent risk of infringement of intellectual property rights, as well as alleged cases of infringement, and they shall give one another the opportunity to counteract any corresponding claims.

Our contracting partner is obliged to let us know whether the goods the partner is about to manufacture or deliver is covered by the partner's own patent or intellectual property right or whether the partner plans to make use of any third party's right.

14. Retention of title

The contracting partner shall have the right to deliver the goods under the retention of title principle, according to which the title shall pass after the full payment for the goods. Even in cases like this we shall be entitled to dispose of the goods in the usual manner.

15. Confidentiality

The contracting parties mutually undertake to treat all non-public business, manufacturing and technical details and information brought to their attention in the course of their cooperation as if they were their own trade secret; they must make sure to maintain confidentiality of this information and refrain from disclosing it to third parties. In the event of any breach of the aforementioned provision, the breaching party undertakes to pay a contractual penalty of EUR 10,000. The right for compensation of actual damages in excess of the penalty (if any) shall remain unaffected. However, any contractual penalty shall be offset against the claim for the compensation of damages.

16. Place of fulfilment, jurisdiction, applicable law

The place of fulfilment for all claims between the parties is the relevant delivery address specified by us, unless otherwise agreed, Bystrice nad Pernštejnem or other place specified by us.

All disputes arising from the contractual relationship shall be resolved before the respective court; the subject-matter and local jurisdiction is based on the seat of the purchaser.

All relations between the contracting parties shall be governed exclusively by the substantive law of the Czech Republic, to the exclusion of the international trade law, especially the United Nations Convention on Contracts for the International Sale of Goods.

Wera Werk s.r.o.

Nádražní 1403

CZ-593 01 Bystrice nad Pernštejnem

CIN: 60751983

VAT Number: CZ60751983

Incorporation: Commercial Register maintained by the District Court in Brno, Section C, File 19332