



## **Standard Terms and Conditions of Business for Carrying Out Contract Work**

### **1. Scope of application**

These Standard Terms and Conditions of Business apply to carrying out contract work on the plant and equipment of Uelzena eG, irrespective of whether the work is carried out in return for payment or not.

### **2. The Contractor's obligations**

The Contractor undertakes to deliver the raw materials required to carry out the contract work at his own expense and for his own account, unless it is agreed that Uelzena shall provide individual raw materials.

The Contractor is further obliged to give the best possible information on the properties of the raw materials used, particularly about the behaviour of raw materials in the planned processing. Processing instructions are only legally binding for Uelzena if they are given by the Contractor in writing in good time before the contract work begins.

The Contractor is obliged to deliver the raw material on the agreed date as arranged with Uelzena. If he does not comply with this obligation, Uelzena is exempted from the duty to process on schedule. In this case the risk of the raw material value reverts to the Contractor.

Should Uelzena incur manufacturing plant stoppage costs through the failure to deliver on time, Uelzena is entitled to bill the Contractor the loss of earnings.

Furthermore, the Contractor shall assume the legal responsibility for the finished product.

### **3. Uelzena's obligation**

Uelzena undertakes to carry out the processing in accordance with the Contractor's information and instructions. Uelzena is, however, entitled to deviate from these instructions should this seem feasible for carrying out the contract work. This does not apply should the Contractor have given the processing instructions in writing and expressly forbidden a deviation therefrom.

The responsibility for the processing shall be borne by Uelzena.

If Uelzena supplies further raw materials it is obliged to adhere to the raw material specifications agreed with the Customer.

Uelzena is entitled to cancel the processing contract if the Contractor's raw materials do not meet the standard stated by the Customer and proper processing cannot be ensured.

### **4. Delay**

Uelzena basically produces to a deadline agreed with the Contractor. Should Uelzena be unable to adhere to the agreed deadline owing to production reasons for which Uelzena is responsible, in the event of gross negligence or intent on the part of Uelzena the Contractor shall be entitled to compensation.

### **5. Prices and payments**

Unless expressly agreed otherwise the prices are ex works plus packing, freight, insurance and Value Added Tax; with export deliveries customs duty, fees and other public charges.

Unless agreed otherwise all invoices are due for payment immediately without deduction into an account indicated by us.

A payment is not deemed made until we can dispose of the amount definitively. Bills of exchange and cheques are accepted only subject to clearance. We do not accept any obligation whatsoever by accepting bills of exchange or cheques with regard to protest and punctual presentation. All expenses or other costs incurred in cashing bills of exchange or cheques shall be borne by the Customer.

Should there be a recognisable threat to our receivables by an inability of the Customer to fulfil his payment obligation, we are entitled to make all receivables not yet due from the entire business relations with the Customer due immediately, provided we have already made our deliveries and rendered our services. This also applies if we have already accepted bills of exchange or cheques. What constitutes a threat is if information from a bank or credit agency suggests the Customer is unworthy of credit. The same applies if the Customer is in default in payment with at least two invoices. In this case we are also entitled to set the Customer a fair and reasonable time limit in which he is required to choose between effecting counterperformance and lodging security concurrently with the performance of the deliveries and services still outstanding. If this time limit passes to no avail we can rescind the contract. Should the Customer suspend payments or become overindebted we can dispense with setting a period of grace.



In the event of a default in payment we are entitled, with the proviso of claiming greater damages caused by default, to demand interest amounting to 8 percentage points on top of the base rate.

The Customer is permitted setoff only with an uncontested claim or one established in law. If the setoff is not permissible, the Customer is not entitled to a right of retention either, albeit only with regard to claims from the same contract.

The assignment of claims against us requires our written consent.

#### **6. Warranty**

A written notice of patent defects and deviations in quantity must be given promptly, otherwise the defects are deemed approved. Written notice of latent defects must be given promptly after they are detected. The Purchaser is obliged to give us opportunity to satisfy ourselves of the defect without delay. In addition the Purchaser is obliged to properly store and handle the goods objected to. Goods can only be returned by agreement with us. At our request the goods objected to are to be returned to us freight paid. If the complaint about defects is justified, we shall refund the costs of the most favourable delivery route; this does not apply if the costs are higher because the goods are at a place other than the place of contractual use.

With complaints about quality, exclusively the pertinent provisions of law applying in the Federal Republic of Germany are applicable. The goods shall be examined in accordance with the procedure stated in § 35 LMBG or the VDLUFA Book of Methods: we must be given the opportunity to investigate the complaint before goods complained about are reprocessed or resold.

#### **7. Limitation of liability**

Uelzena is liable only for loss or damage which upon the conclusion of the contract we foresaw as a possible consequence of a breach of contract or which we would have had to foresee by applying ordinary care. We are not liable in the case of ordinary negligence on the part of our executive bodies, legal representatives, employees or other agents unless it is a matter of cardinal contractual duties.

#### **8. Non-disclosure**

Should the Contractor obtain knowledge of special manufacturing processes of Uelzena's, he undertakes to keep all information in connection with the delivery secret and to take the necessary measures to prevent unauthorised third parties from acquiring any knowledge of records or procedural processes. This applies to all documents regardless of whether they are marked as confidential or secret.

The Contractor shall also oblige his company employees to non-disclosure even after they leave the company.

In the event of a contravention the Contractor undertakes to compensate Uelzena. He is required to put Uelzena in such a position as if the non-disclosure had been adhered to.

#### **9. Place of jurisdiction**

The sole place of jurisdiction for both Parties for all disputes arising directly or indirectly from the contractual relationship shall be Uelzen. We are, however, also entitled to take the Customer to court at his general place of jurisdiction.

#### **10. Final provisions**

Subsidiary agreements require the written form. This also applies to amending this written form clause.

Should individual parts of these Terms and Conditions of Business be invalid or void, this shall not affect the other provisions. The invalid or void provisions shall be re-placed by such as achieve the intended economic purpose as precisely as possible insofar as admissible in law.

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