

General Terms and Conditions of Purchase

Art. 1 General provisions

All purchases of goods and services shall be governed exclusively by our Terms and Conditions of Purchase. We shall not accept any conditions of the Supplier which are contrary to or different from our Terms and Conditions of Purchase, unless we expressly had agreed to them in writing. Our Terms and Conditions of Purchase shall apply even if we accept the Supplier's goods and services without reservation although we are aware that the Supplier's conditions are contrary to or different from our Terms and Conditions of Purchase. Our Terms and Conditions of Purchase shall apply to our future purchase orders without any need for another express agreement to that effect.

Any contract amendments, additions and collateral agreements must be in writing. Our Terms and Conditions of Purchase shall apply only vis-à-vis companies as defined in section 310 para. 1 BGB (*German Civil Code*). Any individual agreements made between the Supplier and us shall have precedence. It is agreed that the Terms and Conditions of Purchase shall supplement these contracts and agreements.

Art. 2 Placing orders

Only written orders shall be valid. Supplier shall confirm the order in writing within a period of 5 working days.¹ Any declaration of acceptance received thereafter shall be deemed to constitute a new offer by the supplier on the basis of our Terms and Conditions of Purchase.

As a matter of principle, Supplier shall fulfill his existing obligations by supplying OEM products exclusively. In exceptional cases and with our written consent, Supplier may subcontract with third parties in order to fulfill his obligations to us.

To the extent that this is acceptable to the Supplier, we shall be entitled to demand reasonable modifications of the good or service to be supplied even after the contract was made. Any changes resulting therefrom shall be appropriately taken into account with respect to the date of delivery and any increase or reduction in cost.

Art. 3 Prices and payment

The price indicated in the purchase order shall be binding. Unless agreed otherwise in writing, the price shall include delivery duty paid (Incoterms 2010). Unless agreed otherwise in writing, place of destination shall be the address of the company placing the order. Price increases shall be valid only if confirmed by us in writing.

After delivery, invoices shall be submitted to us separately in duplicate, specifying the order number, purchase order item and commission number. In the case of shipments within the European Union, the respective Intrastat number and the weight must also be indicated. If waste disposal is involved, Supplier shall enclose the respective waste disposal permit on his own initiative.

The value-added tax shall be shown separately on the invoice.

Unless agreed otherwise in writing, the purchase price shown on the purchase order shall become due 30 days from completion of the delivery/service and receipt of the invoice. If the purchase price is paid within 14 days from completion of the delivery/service and receipt of the invoice, Supplier shall grant a 3 % discount.

We shall be entitled to rights of offset and retention to the extent permitted by law.

Art. 4 Packaging

The goods shall be packaged in accordance with the HPE (German Federal Association for Wooden Packages, Pallets and Export Packaging) packaging guideline, as amended and valid at the time of placing the order. The amount of packaging material used shall be no more than needed for this purpose.

Supplier shall make sure that the packaging is in compliance with applicable environmental regulations. Supplier shall take back freight prepaid any packaging material that is reusable or not environmentally appropriate.

¹ Working days = Monday – Friday

Art. 5 Term of delivery

The dates of delivery specified on the purchase order shall be binding.

Supplier is obligated to inform us promptly in writing if circumstances arise or can be foreseen by him which make it impossible for him to comply with the agreed date of delivery.

In the event of a delay in delivery, we shall be entitled to the statutory claims. Specifically, after an adequate period of time granted by us has expired without results, we shall be entitled to withdraw from the contract or to demand damages instead of the goods or services. Specifically, granting of an additional period will be dispensable if it was obvious that we were only interested in a timely delivery.

If the delay in delivery is the result of force majeure (such as natural disasters, war, labor disputes, government intervention, etc.), which are beyond Supplier's control, the term of delivery shall be extended accordingly. Supplier shall inform us promptly orally or in writing of the beginning and the end of such circumstances and at the same time agree with us on appropriate countermeasures, such as the fastest possible transportation, and carry them out.

We shall be released in whole or in part from the obligation to accept the ordered goods/services and shall be entitled to withdraw from the contract insofar as, taking account of our financial interests and due to the delay caused by force majeure, the goods/services can no longer be used by us.

Art. 6 Performance/ place of performance/ passing of risk/ documents

Supplier shall perform the contract in compliance with all the requirements of building, occupational safety and environmental laws as well as all the technical regulations which contain the generally accepted rules of engineering, environmental and safety engineering. If the contract is for supplying machines or plants, this shall include all the goods and services needed for a start-up in accordance with the rules and permits.

Unless agreed otherwise in writing, the delivery shall be duty paid (Incoterms 2010).

Unless agreed otherwise in writing, delivery shall be at our address. Place of performance shall be the address of delivery specified by us. The risk shall pass only with the delivery of the ordered goods at the delivery address specified by us. In the event that we indicated in our purchase order an order number, commission number or item number, Supplier shall be obligated to enter this number on the entire correspondence and on all shipping documents and delivery notes.

Special documents required by law, such as safety data sheets, in particular for the delivery of hazardous substances, must accompany the delivery in the currently valid version and without any separate request.

The extra processing required by us because these numbers were entered incorrectly or not at all, or because of erroneous or missing documentation, and the consequences of any delays caused thereby shall be borne by the Supplier.

Art. 7 Security Standards

The supplier shall comply with appropriate standards of security with respect to goods, staff and business partner to ensure the safety of the supply chain and will a safety explanation send us upon request any time.

Art. 8 Defects of quality

The supplier warrants that the goods and services to be supplied are free of defects, comply with the specifications as stipulated in the order, have been developed and manufactured in accordance with the state of the art, are usable with-out limitation for the purpose for which they are intended under the terms of the contract and are in compliance with all relevant legal provisions, regulations and directives imposed by governmental authorities and specialist associations.

Any obvious defects detected in the delivered goods shall be examined by us within an adequate period of time for any variances in quality and quantity. The notification of a defect shall be timely if the Supplier receives it within a reasonable period of time from delivery of the goods, or in the case of hidden defects, from discovery of the defect.

We shall be fully entitled to the statutory claims based on defects; we shall be entitled in any case to demand, at our option, that the Supplier remedy the defect or replace the defective good/service with a new one. We expressly reserve the right to damages, including but not limited to the right to damages instead of receiving the goods/services. In case of imminent danger, we shall be entitled to remedy the defect ourselves at Supplier's expense.

The limitation period of claims based on defects in quality shall be 24 months from the point in time when the delivered goods are complete, free of defects and put into service, and shall end no later than 36 months from delivery.

We shall be entitled to claim from the Supplier refund of the expenses we incurred in the relationship with our customer because the latter had a claim on us for refund of the expenses he incurred for shipping, travel, labor and material in the course of supplementary performance.

Art. 9 Proprietary rights

Supplier warrants that no rights of third-parties shall be violated in connection with and by the goods/services he delivered.

In the event that a third party asserts claims against us for infringement of proprietary rights in connection with the goods/services supplied, Supplier shall be obligated to indemnify us against these claims when first requested by us in writing.

Supplier's duty to indemnify shall apply to any and all expenses which we will necessarily incur as a result of or in connection with the claim asserted against us by a third party. The limitation period shall be 36 months from the passing of risk.

Art. 10 Product liability

To the extent that Supplier is responsible for personal injury or damage to property caused by a faulty product supplied by him, he shall be obligated to indemnify us to that extent and when first requested against any third-party claims for damages resulting therefrom.

Under his liability for injury or damage as defined in para. 1, Supplier shall also be obligated to refund any expenses under sections 683, 670 BGB (German Civil Code) or under sections 830, 840, 426 BGB (German Civil Code), which were incurred in connection with a recall action carried out by us.

Supplier shall be obligated to buy at his expense a product liability insurance with adequate coverage.

Any additional claims for damages shall remain unaffected.

Art. 11 Retention of title

We shall retain title to any parts or materials that we may make available to the Supplier. Any processing or transformation by Supplier shall be carried out on our behalf.

If the goods to which we retain title are processed with other objects not belonging to us, we shall acquire co-ownership of the new good in proportion of the value of our goods to the value of the other processed objects at the time of processing.

If the good made available by us for manufacturing of the goods to be delivered is inseparably mixed or connected with other objects not belonging to us, we shall acquire co-ownership of the new good in proportion of the value of the good to which we retain title, to the value of the other mixed or combined objects at the time of the mixing or combining.

If the processing is done in such a way that the Supplier's good must be considered to be the main good, it is understood that the Supplier shall transfer co-ownership to us on a prorated basis.

Supplier shall hold the sole property or the joint property in custody for us as the trustee.

Art. 12 Spare parts and expendables

Supplier shall ensure that spare parts and expendables will be available for a period of 10 years from delivery so that the goods can be kept in working order.

Art. 13 Quality assurance/ inspection

Upon request, Supplier shall provide evidence that he has introduced a quality assurance system. He shall make sure that the goods to be supplied by him are in compliance with our quality specifications and he shall provide proof of this compliance. We shall have the right to inspect by prior appointment, in the Supplier's plant or in the plants of his subcontractors, the goods and/or the progress in manufacturing. The inspection may be carried out by us, a third party charged with this task or together with our customer.

Neither the quality assurance nor the inspection by us or a third party charged with this task shall signify an acceptance in the legal sense and it shall not release the Supplier from his duties of performance and warranty.

Art. 14 Manufacturing recodes/ tools

Any tools, models, matrices, templates, samples, drawings, calculations or other records, which we make available to the Supplier for carrying out our order, embody our know-how and shall remain our property. They must be used exclusively to carry out our order and may not be made available to third parties, neither for inspection nor for any other use, without our express prior consent.

This requirement of prior consent shall also apply to supplying third parties with products or parts which Supplier is manufacturing by making use of our know-how. Individuals or companies, which are involved in any manner with the distribution of our products, shall also be deemed to be third parties.

Tools shall become our property if Supplier manufactures them, or has them manufactured, specifically for carrying out our order and if the manufacturing cost has been amortized via the prices paid by us for the goods he delivered.

If our contractual relationship ends – for whatever legal ground – before the cost of manufacturing the tools has been amortized in full, we shall be entitled, but not obligated, to acquire ownership of the tools by paying the amount which at the time of termination is still unamortized.

Supplier agrees to insure at his expense the tools, which are our property, against loss by fire, water and theft. Supplier is obligated to carry out in a timely manner any needed maintenance and inspection work at his own expense. He shall promptly report any failures.

In the event of non-compliance with these duties, Supplier shall be obligated to compensate us for any loss resulting therefrom. Any right of retention with respect to our tools and records is expressly excluded.

Art. 15 Non-disclosure

Supplier agrees not to disclose our know-how (see art. 14) and any other commercial and technical details as well as other operational matters of which he gains knowledge in the course of the business relationship with us, for as long as these details or operational matters do not become public knowledge independently from the Supplier's conduct. Subcontractors shall be obligated to enter into a non-disclosure agreement with the same content.

The non-disclosure agreement shall continue to apply beyond the end of the contract.

Art. 16 Export regulations/ export requirements/ certificate of origin

To comply with the statutory export regulations, the export classifications must be given on the order confirmation in the case of deliveries of goods or services that are governed by national and/or EU export regulations.

In addition, all invoices and delivery documents must basically show the classification of the goods according to the national export regulations, along with all customs relevant information (HS Code, country of origin) according to the relevant national and international statutory requirements.

In the case of cross-border transport, the supplier must enclose, free of charge, the valid preference certificate (declaration of origin, goods traffic certificate, preference certificate of origin, etc.) which is required in the destination country of the goods, for import or for preferential import tax payment.

The supplier is obliged to obtain all export licences at his own expense.

The supplier undertakes to find out in good time about possible export bans or export restrictions. Under such circumstances, it is agreed that there will be a right of withdrawal free of charge.

Art. 17 Other provisions

If Supplier suspends payment or if a petition for insolvency proceedings regarding his assets or for composition proceedings before a court or out of court is filed, we shall be entitled to withdraw from the contract. If we do not withdraw from the contract, we shall be entitled to withhold an amount of no less than 10 per cent of the purchase price as a security for any claims under the contract until the contractual period of limitation for claims based on defects has expired.

Venue for all disputes – insofar as businessmen, legal entities under public law or a public special funds are involved, and unless agreed otherwise in writing – shall be the seat of the company placing the order. However, we shall also be entitled to sue the Supplier at his principal place of business or at the place of his establishment.

The contractual relationship shall be governed exclusively by German substantive law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

Supplier agrees that we shall be allowed to process and use to the extent permitted by the Bundesdatenschutzgesetz (German Federal Data Protection Act) the personal data we received from the Supplier in the course of or in connection with our business relationship.

Should any provision of these General Terms and Conditions or any provision of our other contractual stipulations be or become ineffective, this shall not affect the effectiveness of the remainder of these Terms and Conditions or stipulations. In this case, the parties to the contract shall be obligated to replace the ineffective provision by another provision which comes closest to achieving the intended economic result.