

General Terms and Conditions of Purchase

§ 1 General / Scope of Validity

The following Terms and Conditions shall apply exclusively to all our purchase orders – including future purchase orders of the **same kind** – in the absence of deviating agreements in individual cases, without us having to refer to these Terms and Conditions in each individual case.

The Supplier's deviating, conflicting or supplementary terms and conditions shall only become part of the contract to the extent that we have expressly agreed to the validity of the same in writing. Unconditional acceptance of deliveries does not constitute consent.

Individual agreements made in individual cases shall take precedence over our Terms and Conditions if they have been made in writing or confirmed by us in writing.

Our Terms and Conditions of Purchase shall apply exclusively to entrepreneurs.

§ 2 Purchase Order / Purchase Order Documents

The content, type and scope of the goods shall be determined by our purchase order and, if applicable, the specifications and production documents (drawings, samples, etc.) provided by us or the specifications and production documents provided by the Supplier to us and confirmed by us in writing.

The Supplier's obligation to check all purchase order documents and other contractual documents to ensure that they are complete, correct and suitable for the intended purpose and to immediately notify us in writing of any discrepancies or errors, as well as the Supplier's own responsibility for performance, shall remain unaffected by this circumstance.

The Supplier is obligated to confirm our purchase order within a period of two weeks.

§ 3 Prices / Invoicing / Terms of Payment

The price stated in the purchase order is binding.

Unless agreed otherwise in writing, the price includes free delivery and packaging. Return of empties and packaging material, unless the packaging is disposable, shall be carriage forward at the Supplier's expense.

The prices do not include the statutory value-added tax at the applicable rate.

We can only process invoices if we receive them separately from the delivery of goods and if they – in accordance with the specifications set out in our purchase order – state the purchase order number shown there.

Our model number must be included with each item on the invoice if one is included in our purchase order.

If the invoice refers to goods listed in different purchase orders, it must be stated which purchase order was executed with the delivery in each case.

The Supplier shall be responsible for all consequences arising from failure to comply with this obligation unless it can prove that it is not responsible for them.

Unless agreed otherwise in writing, we shall pay the purchase price within 14 days with a 2% discount or within 30 days of receipt of the invoice without a deduction.

We shall be entitled to offsetting and retention rights, as well as the right to defend ourselves against non-performance of the contract, to the extent provided by law; in particular, we may withhold payments due as long as we are entitled to claims against the Supplier arising from incomplete or defective deliveries.

We are entitled to assign all claims arising from the purchase contract without the Supplier's consent.

The Supplier is not entitled to assign claims arising from the contractual relationship to third parties without our prior written consent.

§ 4 Delivery / Delivery Time / Delayed Delivery

Agreed delivery deadlines are binding; the Supplier guarantees punctual delivery.

The Supplier is obligated to immediately inform us in writing if it is unlikely to be able to meet agreed delivery times – **for whatever reason**. If the Supplier is in default, we shall be entitled to the legal claims and rights.

Furthermore, delayed delivery entitles us to demand, as a contractual penalty, 1% of the net price of the entire purchase order for each full week of exceeding the delivery time, but no more than 5% of the net price of the entire purchase order.

This shall apply mutatis mutandis if there is a delay with regard to partial deliveries. Claims for damages remain unaffected by this provision.

A contractual penalty paid shall be offset against a claim for damages. If we accept delayed performance, we must claim the contractual penalty with the final payment at the latest.

If we demand damages, the Supplier shall have the right to prove to us that it is not responsible for a breach of obligations.

Additional freight costs for urgent and express shipments that arise as a result of failure to comply with the agreed delivery deadline shall be borne by the Supplier.

§ 5 Shipping / Packaging / Transfer of Risk / Freight Documents

Shipment shall be made at the Supplier's risk and within Germany free to the location specified in the purchase order, otherwise DDP according to the Incoterms 2010 rules.

This also applies to any returns. The Supplier shall be liable for compliance with specified shipping instructions.

If ex-works delivery has been agreed, it must be clarified with the customer whether the goods are to be shipped in accordance with the customer's routing order.

We are waiver customers for delivery covered by freight forwarding, logistics and warehousing insurance.

The risk shall pass to us on handover of the goods to us or the agreed receiving agency. In the case of machines and technical equipment, as well as in the case of an agreed functional test or acceptance, the risk shall not pass to us until we have confirmed in writing that the functional test or acceptance has been carried out without any problems.

The Supplier shall use environmentally friendly packaging as far as possible.

The Supplier shall enclose a delivery note with each delivery, stating our purchase order number, the model number, the quantity and the description of the goods, insofar as they are stated in our purchase order. Otherwise, we shall be entitled to refuse acceptance without this giving rise to any claims on the Supplier's part. Any costs resulting from this shall be borne by the Supplier.

§ 6 Quality

We expect the Supplier to constantly align the quality of its products to be delivered to us with the latest state of the art in technology and to point out potential improvements and technical changes to us. However, changes to the deliverable require our prior written consent in any case.

The Supplier guarantees and warrants production in accordance with our announced technical specifications, as well as the respectively valid and applicable ISO standards, European and German standards, legal regulations (particularly set out in the German Product Safety Act) and trade association guidelines and the like. These are also without express agreement as to the quality standard of the goods.

The deliveries must correspond to the purchase order in terms of performance, scope and classification.

We shall be entitled to demand changes with regard to design, delivery and delivery time in the case of purchase orders and blanket orders that have not been fully fulfilled yet, provided that we have a comprehensible interest in doing so, the Supplier is technically capable of implementing any changes and the requested changes are reasonable for the Supplier.

Insofar as the Supplier provides services on our premises, it shall comply with our relevant regulations (e.g. house rules, safety regulations), which we shall make available to it on request. Materials for services may only be stored following prior consultation with us. Workstations are to be maintained in an accident-proof condition at all times and left tidy and clean at the end of each day's work.

The Supplier shall name its upstream suppliers to us on request. We may reject an upstream supplier for due cause. We shall coordinate with the Supplier if this results in postponements or changes in costs.

For a period of at least ten years following delivery of the goods, the Supplier shall supply us with spare and replacement parts at market prices. If the Supplier intends to discontinue production of these spare and replacement parts, it shall inform us – without prejudice to the obligation pursuant to sentence 1 – at least three months before production is discontinued.

Without our prior written consent, the Supplier shall not be entitled to have the performance it owes rendered by third parties (e.g. subcontractors).

Any goods containing or releasing substances that require registration or authorization according to Regulation EC 1907/2006 dated 18 December 2006 (REACH Regulation) including subsequent amendments and modifications at the time of delivery to us must be registered or authorized. With each delivery, the Supplier shall provide us with an up-to-date, complete safety data sheet that complies with the requirements set out in the REACH Regulation, even if this is not mandatory under the REACH Regulation.

§ 7 Inspection for Defects / Liability for Defects

We are obligated to randomly inspect the goods within a reasonable period of time for recognizable deviations in quality and quantity; the complaint is timely if it is received by the Supplier within a period of 10 working days, calculated from receipt of the goods or, in the case of latent defects, from discovery.

We shall be entitled to the legal claims for defects in full.

In any case, we shall be entitled to demand from the Supplier, at our discretion, remedy of the defect or delivery of a new item. The right to claim damages, in particular damages in lieu of performance, is expressly reserved.

The costs of subsequent performance (§ 439 (2) of the German Civil Code) also include removal and reinstallation costs, costs of searching for defects and sorting costs on our and our customers' premises.

We shall be entitled to remedy the defect ourselves at the Supplier's expense if there is imminent danger or particular urgency.

The limitation period for our claims due to a material defect is 2 years and, for our claims due to a defect of title, 4 years from delivery or acceptance. Longer limitation periods due to other claims that are not based on a defect in the goods themselves shall remain unaffected. The statutory limitation period for claims in rem for the return of goods (§ 438 (1) (1) of the German Civil Code) shall also remain unaffected.

Defective parts of the goods shall remain at our disposal until they are replaced; they shall become the Supplier's property on replacement.

§ 8 Product Liability / Indemnification / Liability Insurance Coverage

Insofar as the Supplier is responsible for product damage, it shall be obligated to indemnify us with regard to third-party compensation claims on first request if the cause is set in its domain and organizational area and it itself is liable vis-à-vis third parties.

In the context of its liability for damages under (1), the Supplier shall also be obligated to reimburse any expenses pursuant to Sections 683 and 670 of the German Civil Code and Sections 830, 840 and 426 of the German Civil Code arising from or in connection with a recall carried out by us. We shall inform the Supplier of the content and scope of the recall measures to be taken – insofar as doing so is feasible and reasonable – and give it the opportunity to comment. Additional legal claims shall remain unaffected.

The Supplier undertakes to maintain – as a lump sum – product liability insurance with an insured sum of €5 million per personal injury / property damage case. If we are entitled to assert further claims for damages, these shall remain unaffected.

§ 9 Industrial Property Rights / Security Interests / Provisions / Ownership Rights

We reserve the property rights and copyrights to illustrations, plans, drawings, calculations, implementation instructions, product descriptions and other documents. Such documents shall be used exclusively for contractual performance and shall be returned to us or destroyed following completion of the contract. The documents must be kept secret from third parties, even after termination of the contract. The obligation to maintain secrecy shall only expire if and to the extent that the knowledge contained in the documents provided has become common knowledge.

Tools, devices, models and other materials made available or otherwise provided by us to the Supplier or delivered directly to the Supplier on our behalf (collectively referred to as "provisions") shall remain our property. They may not be sold, transferred by way of security, pledged, passed on or used for or made accessible to third parties without our consent. The Supplier shall insure provisions against all the usual risks at its own expense and store them as our property and separately from identical or similar items owned by third parties or the Supplier. The Supplier may only use provisions for the production of our purchase order and must return them to us immediately on request. The Supplier shall also impose these obligations on its vicarious agents.

On 15 December of each year, the Supplier shall, without being requested to do so, make an inventory of all (of the client's) materials that are in its warehouses and send it to the client. This shall reconcile the actual stocks with the target stocks.

The Supplier shall notify us without delay of any impending seizure of materials provided by us and of any other impairment of our rights. Likewise in the event of loss or damage to provisions.

It is obligated to separate provisions.

Any processing, mixing or combining of provisions by the Supplier shall be carried out on our behalf. If, in the event of processing, mixing or combining with items belonging to third parties, the third-party ownership rights remain, we shall acquire co-ownership of the new item in the ratio of the value of our provision to the other items.

The reproduction of models, samples or other documents provided by us to the Supplier or of those produced by the Supplier according to our specifications is only permitted insofar as doing so is necessary for processing of the quotation / performance of the delivery. Insofar as the Supplier provides such documents to an upstream supplier, the Supplier shall impose a corresponding written obligation on the upstream supplier before providing them and shall submit them to us on request.

Items manufactured according to our specifications may neither be offered nor supplied to third parties without our consent; this obligation shall continue to exist even following termination of the business relationship.

If, in connection with the execution of our purchase order, improvements are made to the provisions or other improvements are made by the Supplier based on our production documents, we shall have a free, non-exclusive right of use for our own exploitation of this improvement and any industrial property rights thereto.

We object to all forms of extended or prolonged retention of title so that any retention of title shall only apply until payment has been made for the goods delivered to us and only for such goods.

The Supplier warrants that its goods or contractual use of the same do not infringe any third-party rights.

The Supplier is aware that its goods in our machines, for example, can be sold or used by us worldwide.

If claims are asserted against us by a third party due to the infringement of industrial property rights, the Supplier shall be obligated to indemnify us against such claims on first written request; we shall not be entitled to make any agreements with the third party – without the Supplier's consent – in particular to conclude a settlement.

The Supplier's indemnification obligation relates to all expenses necessarily incurred by us as a result of or in connection with the claim asserted by a third party.

The Supplier's aforementioned obligation to assume liability shall not apply if the Supplier has manufactured the deliverables in accordance with drawings, models or other descriptions or information equivalent thereto provided by us and does not know or, in connection with the products it develops, does not need to know that industrial property rights are thereby infringed.

The limitation period for these indemnification claims is 3 years, calculated from such time that we become aware of the claim asserted by the third party.

§ 10 Export Control

The Supplier shall provide us as early as possible and in writing with all the information and data that we require to comply with the applicable foreign trade law in the event of export, shipment and import, as well as in the case of reselling in the event of re-export of the goods.

§ 11 Confidentiality

The Supplier is obligated to treat all commercial and technical details that it becomes aware of through the business relationship with us as trade secrets unless they are or become common knowledge. The Supplier's vicarious agents (including employees) shall be obligated accordingly in writing; the obligations shall be submitted to us on request.

The Supplier is only entitled to refer to an existing business relationship with us for advertising purposes with our prior written consent.

The publication of products manufactured on our behalf and according to our specifications for purposes of self-promotion by the Supplier requires our prior written consent.

§ 12 Compliance

The Supplier shall comply with all legal and official provisions concerning working conditions. The Supplier observes the principles of the United Nations Global Compact Initiative (www.unglobalcompact.org) and the provisions set out in the International Labour Standards stipulated by the ILO (www.ilo.org), particularly concerning the minimum age of employment, the prohibition of child labour, the prohibition of forced and compulsory labour, the prevention of work-related accidents and the prohibition of discrimination.

The Supplier shall comply with the provisions set out in the German Minimum Wage Act and shall also obligate its subcontractors accordingly. It shall indemnify us against claims asserted by third parties based on its or its subcontractors' violation of the German Minimum Wage Act.

The Supplier shall refrain from anything that may lead to criminal liability for fraud or embezzlement, insolvency offenses, offenses against competition, granting of advantages, bribery, corruptibility or other corruption offenses by persons employed by the Supplier or third parties.

The Supplier shall also contractually obligate its upstream suppliers to comply with these obligations. The Supplier shall carry out regular audits of its upstream suppliers with regard to compliance with these obligations. The Supplier shall provide us with corresponding evidence on request.

§ 13 Place of Jurisdiction / Place of Performance / Applicable Law

The place of performance and exclusive place of jurisdiction for deliveries and payments (including actions on checks), as well as for all disputes arising between the Parties from the contracts concluded between them, shall be our registered office, insofar as the Supplier is a merchant under the German Commercial Code. However, we are also entitled to institute proceedings against the Supplier at the location of its place of business.

The law of the Federal Republic of Germany shall apply to the exclusion of the standardized United Nations Convention on Contracts for the International Sale of Goods (UN CISG) dated 11 April 1980.

§ 14 Severability Clause

Should any provision set out in these General Terms and Conditions of Purchase be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions set out in these General Terms and Conditions of Purchase.