

General Purchase Conditions

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I. Applicability

1. Orders of the purchaser are rendered wholly on the basis of the following General Purchasing Conditions. These are then part of all contracts which the purchaser concludes with his suppliers regarding the deliveries or services offered by them. Unless otherwise agreed, the General Purchase Conditions shall also apply - in the version valid at the time of the Purchaser's order or at any rate in the version last notified to the Supplier in text form - as a framework agreement for all subsequent orders or similar contractual relationships between the Supplier and the Purchaser, without these having to be separately agreed again.
2. These General Purchase Conditions apply exclusively. Deviating, conflicting or supplementary conditions, such as sales and delivery conditions of the supplier or third parties are not applicable, and do not form part of the contract content, even if the purchaser does not expressly object to them. Even if the purchaser refers to a letter which contains or refers to the terms and conditions of the supplier or of a third party, this does not constitute agreement with the validity of those terms and conditions.
3. These General Purchase Conditions shall only apply to entrepreneurs, legal entities under public law or special funds under public law.

II. Offer and Conclusion of contract

1. Only orders placed in writing, i.e. in written or text form (e.g. letter, e-mail, fax), are binding. Orders placed verbally or by telephone require subsequent confirmation by a letter of confirmation from the purchaser in order to be valid. Verbal collateral agreements and amendments to the contract shall also be confirmed in writing.
2. The supplier must adhere in quantity, composition, and execution, as requested by the purchaser or confirmed orders, tender and supplied drawings. The supplier must notify the purchaser in writing of any variation either presently existing or planned in the future. Variations require the written consent of the purchaser.
3. The purchaser may rescind the order, if receipt of the order of the purchaser has not been confirmed in writing within 7 working days. Decisive for the timely acceptance is the receipt of the declaration of acceptance by us.
4. Legally relevant declarations and notifications of the supplier with regard to the contract (e.g. setting of a deadline, reminder, withdrawal) must be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). Legal formal requirements and further evidence, in particular in the event of doubt as to the legitimacy of the declarant, shall remain unaffected.

III. Prices, Shipping, Packaging

1. The agreed prices are fixed including statutory value added tax, if this is not shown separately and are not subject to further demands. Costs for packing and transport, as well as customs formalities and import duties are included in the prices. Unless otherwise agreed in individual cases, the price shall include all further services and ancillary services as well as all ancillary costs of the Supplier. If the supplier's costs increase or decrease by more than 10% without being predicted by the supplier, either party is entitled - and at the request of the other party also obligated - to seek the renegotiations of agreed prices. If no agreement is reached within a period of one month, the respective price shall be determined at reasonable discretion.
2. Despatch notes, consignment notes, invoices and all correspondence must include the order number of the purchaser.
3. The delivery costs to the freely agreed point of delivery are born by the supplier. Even if

shipment has been agreed, the risk shall not pass to the purchaser until the goods have been handed over to him at the agreed place of delivery. If acceptance has been agreed, this shall be decisive for the transfer of risk.

4. Return obligations for packing are governed by the legal requirements.

IV. Invoices and Payment

1. Invoices shall contain the agreed information and documentation, or the customary information, if not specified, and be submitted after delivery. Improper invoices shall be deemed received only by the date of the corrected submission.
2. Payment is made using standard commercial practices, deducting a 3% discount for payment up to 14 days after delivery/service or net for payment within 30 days. The respective later date shall be used in determining the period of grace.
3. In the event of default in payment, the purchaser shall owe default interest in the amount of five percentage points above the base interest rate pursuant to § 247 BGB (German Civil Code).
4. The purchaser is entitled to set-off and retention rights as well as the defence of non-performance of the contract to the extent permitted by law. The Supplier shall only have a right of set-off and retention if counterclaims have been legally established or are undisputed or if they arise from the same contract.

V. Scheduled Delivery, Delivery Delays, Default of Acceptance and Force Majeure

1. The agreed delivery schedules are binding and should be adhered to by the supplier. Deemed compliance is the timely receipt of goods at the agreed point of delivery.
2. The supplier must notify the purchaser in writing immediately a delay becomes apparent, stating reasons and expected slippage.
3. In the event of a delivery delay, the purchaser shall be entitled to all statutory claims. In urgent cases, especially to avoid production losses or in view of the purchaser's delivery schedules, the purchaser shall be entitled to source materials elsewhere at cost to the supplier.
4. In the event of delivery delays, the Purchaser shall be entitled, after prior written warning to the Supplier, to demand a contractual penalty of 0.5 % of the respective order value for each commenced week of delay in delivery, but no more than 5 % of the respective order value. The contractual penalty shall be set off against the damage caused by default to be compensated by the Supplier. The purchaser reserves the right to assert a higher damage caused by delay. However, the supplier reserves the right to prove lower damages or no damages at all as a result of his debtor's default.
5. Force Majeure and lawful labor strike action exempt the contract partner from this obligation for the duration of the disturbance. However, the contract partners are obliged to supply within a reasonable timeframe any pertinent information and to endeavor to their best ability to adjust to changing circumstances minimizing the dislocation. If the purchaser does not wish to receive the goods any longer because of the delayed delivery or should this delivery no longer be reasonable for him, the purchaser is entitled to cancel the delivery contract after giving prior notice.
6. The purchaser reserves the right to return deliveries arriving earlier than scheduled at cost to the supplier. If deliveries with a fixed delivery date are not returned, they may be stored in the purchaser's keep until the agreed delivery date. The agreed delivery date only is the relevant date for account settlement. In the event of early delivery by the Supplier, the Purchaser shall be entitled to store the goods at the Supplier's expense unless the Purchaser can immediately use them. If the purchaser stores the goods himself, he shall be entitled to storage costs amounting to 0.5% of the invoice amount of the stored goods per commenced calendar week up to the original delivery date or a previous possibility of utilization. The purchaser reserves the right to assert higher storage costs against proof. However, the supplier reserves the right to prove lower or no damage as a result of his early delivery.

7. The statutory provisions shall apply to the occurrence of default of acceptance on the part of the purchaser. However, the Supplier must also expressly offer its performance to the Purchaser if a specific or determinable calendar period has been agreed for an action or cooperation of the Purchaser (e.g. provision of material). If the Purchaser is in default of acceptance, the Supplier may, in accordance with the statutory provisions, demand reimbursement of its additional expenses (§ 304 of the German Civil Code (BGB)). If the contract relates to an unrepresentable item to be manufactured by the supplier (single-item production), the supplier shall only be entitled to further rights if the purchaser undertakes to cooperate and is responsible for the failure to cooperate.
8. Part delivery will only be accepted after express consent.

VI. Liability for Defects

1. The purchaser has every unencumbered legal right to legal compensation from defects, including claims for damages and loss.
2. Obvious deficiencies of the delivery, in particular incorrect quantities and obvious transport damages shall be indicated by the purchaser as soon as orderly business conditions permit their assessment. A defect notice shall be deemed timely, if notified within 5 working days after delivery acceptance. Hidden defects are to be notified within 5 working days after discovery.
3. The parties agree that a defect has been properly notified, if the purchaser has notified the supplier of the product defect. On request of the supplier, the purchaser shall provide the supplier with a reasoned detailed report as to the non-usability of the delivery within a reasonable time frame.
4. The supplier declares the suitable composition of supplied products, especially the specifications, as stipulated by the purchaser. Alterations and variations categorically require prior consent.
5. If the supplier does not remedy the defects or provide replacement supplies within a reasonable time, the supplementary performance shall be deemed to have failed; in which case the purchaser is entitled to rescind the contract without further delay and demand compensation damages in place of services, unless the supplier can prove that he is not responsible for the failure to meet the deadline.
6. Inasmuch supplied products become components of an end user product for sale at the end of the supply chain to customer (purchase contract or contract for work and delivery), the purchaser reserves the right in the case of an application of §§ 445a, 445b of the German Civil Code (BGB) by his customers, to seek redress from liability from the supplier in a corresponding application of the statutes. §§ 445a, 445b of the German Civil Code (BGB) regulate extend, content and limitation of such a claim.
7. Warranty claims for defects expire 36 months after transfer of risk. If an acceptance has been agreed, the limitation period shall commence with the acceptance. The 36-month limitation period shall also apply mutatis mutandis to claims based on defects of title, whereby the statutory limitation period for claims in rem for surrender by third parties (§ 438 para. 1 no. 1 of the German Civil Code (BGB)) shall remain unaffected. Furthermore, the limitation period for claims arising from defects of title shall be suspended in the case as long as the third party is still able to assert the right against the purchaser - in particular in the absence of a limitation period - but for a maximum of 30 years from delivery.
8. The purchaser shall not waive warranty claims by acceptance or approval of samples or specimens submitted.
9. In addition to claims for defects, the purchaser shall have unlimited rights of recourse within a supply chain as determined by law. Before the Purchaser acknowledges or fulfils a claim for defects asserted by his customers, the Purchaser shall notify the Supplier and request a written statement, briefly stating the facts of the case. If a substantiated statement is not made within a reasonable period and no amicable solution is reached, the claim for defects actually granted by the Purchaser shall be deemed owed to the Customer. In this case, the

supplier shall be responsible for providing proof to the contrary.

VII. Product Warranty and Protection from General Liability

1. Inasmuch a supplier is liable for damages from a product the supplier shall indemnify the purchaser from claims for damages from third parties at first request.
2. The purchaser and supplier shall support each other in any resulting court proceedings.
3. If the Purchaser is obliged to carry out a recall action against third parties due to a defect in a product supplied by the Supplier, the Supplier shall bear all costs associated with the recall action.
4. The Supplier is obliged to take out and maintain product liability insurance with lump sum coverage of at least EUR 10 million per personal injury or property damage, without any limitation of liability being contractually agreed. Upon request, the Supplier shall send the Purchaser a copy of the liability policy at any time.

VIII. Trademark Rights and Liability for Defects of Title

1. The supplier assures that all deliveries are free of indemnity of third parties and that through the delivery and utilization of the delivery items no patents, licenses or other copyrights of third parties in the country of delivery and – as far as is known to the supplier – the intended country of use are being infringed.
2. The supplier indemnifies the purchaser and his customers of all claims of third parties resulting from possible copyright infringements and bears all costs the purchaser may incur in such circumstances.
3. For all other claims in respect of defect liabilities the regulations as set out in Clause VI. of this contract are applicable.

IX. Property protection

1. The purchaser reserves the right of ownership or copyright to orders, specifications and drawings, illustrations, calculations, descriptions and other documents placed at the disposal of the supplier by the purchaser. Without the express consent of the Purchaser, the Supplier may neither make them accessible to third parties nor use or reproduce them himself or through third parties. At the Purchaser's request, the Supplier shall return these documents in their entirety to the Purchaser if they are no longer required by the Purchaser in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. Copies thereof made by the Supplier shall in this case be destroyed; the only exceptions to this shall be storage within the framework of statutory storage obligations and storage of data for backup purposes within the framework of customary data backup.
2. Tools and models which the purchaser makes available to the supplier or which are manufactured for contractual purposes and separately invoiced to the purchaser by the supplier remain the property of the purchaser or become his property. The Supplier shall identify them as the property of the Purchaser, keep them in safe custody, protect them to an appropriate extent against damage of any kind and use them only for the purposes of the contract. Unless otherwise agreed, the contracting parties shall each bear half of the costs of their maintenance and repair. However, insofar as these costs are attributable to defects in the objects manufactured by the Supplier or to improper use by the Supplier, its employees or other vicarious agents, they shall be borne solely by the Supplier. The Supplier shall notify the Purchaser without delay of any not only insignificant damage to these tools and models. Upon request, the Supplier shall be obliged to return them to the Purchaser in proper condition if they are no longer required by the Supplier to fulfil the contracts concluded with the Purchaser.
3. The transfer of ownership of the goods to the purchaser must take place unconditionally and regardless of the payment of the price. If, however, the purchaser accepts an offer of the supplier for transfer of ownership conditional on the payment of the purchase price in an individual case, the reservation of title of the supplier shall expire at the latest with the payment of the purchase price for the delivered goods. In the ordinary course of business,

the Purchaser shall remain authorized to resell the goods, even before payment of the purchase price, by assigning the claim arising therefrom in advance. This excludes all other forms of retention of title, in particular the extended retention of title, the forwarded retention of title and the retention of title extended to further processing.

4. Any processing, mixing or combination (further processing) of items provided by the Supplier shall be carried out on behalf of the Purchaser. The same shall apply to further processing of the delivered goods by the Purchaser, so that the latter shall be deemed to be the manufacturer and shall acquire ownership of the product in accordance with the statutory provisions at the latest upon further processing.

X. Confidentiality

1. The contract partners are obliged to maintain confidentiality in all matters of the business privity. In particular the partners are obliged to maintain strict secrecy over received illustrations, drawings, calculations, construction sketches, CAD-data and other documentation and information. Contents may only be made available to third parties after prior express written consent. This also applies to substances and materials as well as tools, templates, samples and other objects which the Purchaser provides to the Supplier for manufacture.
2. The duration of the confidentiality obligation is 5 years, calculated from the final completion of the contract. The obligation to maintain secrecy shall continue to apply even after completion, even in the event that a contract is not concluded.
3. The obligation to maintain secrecy shall not apply if the information to be kept secret within the meaning of Section X. par. 1 was already generally known or known to the Supplier prior to its transmission. The Supplier's obligation to maintain secrecy shall also expire if, during the term of the obligation to maintain secrecy, the information requiring secrecy becomes generally known without any breach of contract by the Supplier being the cause thereof.
4. Received documentation, including all copies, must be returned to the contract partner at the end of the contract without the need for a request; data, which cannot be returned, must be permanently destroyed.

XI. Closing Provisions

1. The supplier is not entitled, without prior written consent, to pass the contract or major parts of the contract to third parties or to surrender rights to claims outside an extended or widened reservation of title rights. This does not apply in the case of monetary claims.
2. If the supplier stops payments, an insolvency proceeding shall be applied for or commenced, or if an out-of-court settlement of debt procedure over the assets of the supplier has been instituted, the purchaser is entitled to rescind the contract without notice, unless the application is withdrawn within 4 weeks.
5. Place of fulfillment is the main offices of the purchaser, unless differently agreed to in the order.
6. These General Purchase Conditions and the contractual relationship between the Purchaser and the Supplier or their respective legal successors shall be governed exclusively by the laws of the Federal Republic of Germany, excluding the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) and international private law.
7. The contracting parties agree for all disputes arising directly or indirectly from or in connection with the contractual relationship or these General Purchase Conditions, to the extent permitted by law, to the exclusive jurisdiction of the Regional Court at the main offices of the purchaser. However, the Purchaser shall also be entitled to appeal to any other competent court.
8. The contract language is German. Should another language be used the German formulation shall have precedence.