



General Terms and Conditions of Purchase

1. Scope of application of our Terms and Conditions of Purchase

1.1 Our General Terms and Conditions of Purchase shall apply to all our orders. Other terms of the Contractor or Supplier shall not constitute terms of contract, even when we, the Client, do not expressly object to them. However, we accept a simple retention of title of the Supplier until payment of the relevant delivery. By effecting a first delivery based on these Terms and Conditions of Purchase the Supplier acknowledges that these Terms and Conditions shall also apply in the version applicable at the time to all further contracts. Our Terms and Conditions of Purchase shall apply even in cases when we accept the delivery by the Supplier without reservations while knowing the terms and conditions of the Supplier being contrary to or different from our Terms and Conditions of Purchase.

1.2. Our Terms and Conditions of Purchase shall only apply to contracts with companies as defined by Sec. 310 Par. 1 BGB (German Civil Code).

1.3. Our Terms and Conditions of Purchase shall also apply to all future business transactions with the Supplier.

2. Order and conclusion of the contract

2.1. Delivery contracts, orders and acceptance, call orders and their changes and amendments require the written form. Our orders, call orders and any changes or amendments to them may also be placed by using data telecommunication, by machine-readable data carriers or electronically. We shall be bound by our order generally for a period of four weeks. If our order has been placed electronically, we shall be bound by our order for a period of one week. After this period, we are entitled to revoke our order. Any claims by the Supplier based on an effective revocation shall be excluded.

2.2. If the Supplier accepts our order, he has to confirm it in writing specifying the item number of the order and the item description. If we place our order electronically, the Supplier may confirm the order also electronically. Call orders shall become binding at the latest one week after their receipt, unless the Supplier objects to them in writing or electronically within this period.

2.3. Any illustrations, drawings, calculations and other documents as well as the copyright thereto shall remain our property; they may not be made available to third parties without our prior consent. They shall be used exclusively to verify our order documentation or for the production based on our order, after the order has been processed or in case that the contract is not concluded they have to be returned to us without further request. They have to be kept secret from third parties. The provisions of Article 12 of these Terms and Conditions of Purchase shall particularly apply in addition.

2.4. At our request the Supplier shall be obligated to make modifications in the construction and design of the delivery item even after the conclusion of the contract, if this can be reasonably expected from him. Any effects, in particular as regards extra costs or reduced costs and delivery terms have to be agreed adequately by mutual consent.

2.5. The Supplier may place sub-orders with our consent only.

2.6. Goods or their components that are not stated in the order but are indispensable for a safe and efficient operation of the product shall be considered part of the delivery item and shall be considered owed by the Supplier together with the delivery item.

2.7. If the delivery item contains software, we shall obtain the right to use the software free of charge company-wide, to copy it without restrictions and to make it available to third parties worldwide together with the delivery item for or without a consideration. We shall be entitled to decompile the software for maintenance or further development purposes.

3. Prices and payment terms

3.1. The prices stated in our order are fixed prices, and, unless otherwise agreed in writing, shall include free delivery to our factory. They shall include any packaging, transportation, insurance and any other cost of free delivery to our factory, unless we expressly agree otherwise in writing with the Contractor.

3.2. The payment shall be made, subject to the delivery of the goods or acceptance of delivery, within fourteen (14) calendar days after the receipt of a correct and auditable invoice, stating the order number and order date, at a discount of three percent or within thirty (30) calendar days net. The discount term begins with the date of invoice, but not before the date of receipt of the delivery.

3.3. Each invoice shall contain information about the order and the delivery note. If this information is missing, we cannot guarantee that we can comply with the agreed payment terms. We shall retain the right to apply a discount and shall not be considered in default with our payment. The goods delivered in accordance with the order will be paid according to the quantities established after the receipt of the goods.

3.4. The Supplier shall not have the right to assign his claims against us or to have them collected by third parties without our written consent in advance, while such consent may not be withheld without a reason. However, we agree to an assignment in advance in case of extended retention of title.

3.5. We shall be entitled to any rights of retention or set-off as provided by law.

4. Delivery

4.1. All deliveries shall be properly packaged and made to the delivery address specified by us.

4.2. Each delivery shall contain a delivery note specifying all the details of the order, such as order number, part number, part

designation, quantity, individual weight or dimensions.

4.3. If, in a particular case, we have expressly agreed to bear the costs of delivery in writing, we shall choose the forwarder. The freight has to be declared in the bill of lading in such a way that the lowest permitted shipping rate shall apply to the freight. The Contractor has to inform us in writing that the goods are ready for delivery. In this case we will take out a transport insurance and bear the resulting costs.

4.4. If the costs of packaging shall be borne by us based on an expressly specified agreement, we shall only pay the cost price without deposit fees. We retain the right to return bulk packing items, in particular containers, barrels, crates, etc. to the Contractor after emptying them and regardless of any transport or other wear and tear, free of transportation charges against a corresponding credit note. Any regulations that deviate from the provisions of the Packaging Regulations (VerpV) dated 12 June 1991 (Federal Law Gazette I p. 1234 ff.) require our prior consent in writing.

4.5. The Contractor has to deliver all the documents that are required for the acceptance, the operation, the maintenance and the repair, in particular test records, test reports, drawings, layouts, operating instructions and repair manuals, free of charge in reproducible form.

4.6. Our incoming goods department is open Monday to Thursday 07.00 am to 2.00 pm and Friday 7.00 am to 12.00 noon.

5. Delivery term, delays and force majeure

5.1. Delivery terms specified in the order or otherwise agreed with the Contractor shall be binding and must be strictly adhered to. The delivery term or the delivery deadline shall be considered to have been met if the goods are delivered to the delivery address specified by us or if the delivery is accepted by us within the deadline.

5.2. The Contractor has to inform us immediately in writing about any expected delays in the deliveries or exceeded deadlines stating the reasons and the expected duration of such delay.

5.3. Early deliveries require our express consent. Unless early deliveries are returned, they shall be stored on our premises at risk and expenses of the supplier.

In case of early delivery, we reserve the right to make the payment only by the agreed due date.

In case of agreed partial delivery, the remaining quantity to be still delivered has to be stated.

5.4. In case of delays in delivery we shall be entitled to claim lump-sum damages due to delay in delivery in the amount of 0.2% of the gross value of goods to be delivered per day of delay, but not more than a total of 10%; we reserve the right to any further statutory claims (rescission and damages instead of performance). The Supplier shall have the right to prove to us that the delay resulted in no damage at all or in a considerably lower damage. In the latter case, we may claim the damages for the loss actually incurred. The acceptance of late delivery entails no waiver of the claims for damages and of the lump-sum damages.

5.5. If the Contractor delays one part of the delivery, we shall be entitled to assert our rights also for the part of the delivery that has not been delayed yet.

5.6. Force majeure, collective actions, business disruptions beyond our control, unrests, official measures and other inevitable events shall entitle us to withdraw from the contract as a whole or in part, without prejudice to other rights we may have, provided that they are of considerable duration and result in considerable decrease in our demand.

6. Transfer of risk

Shipping shall be at the risk of the Contractor until due receipt of the goods by our factory or by the unloading point specified by us. This shall also apply to cases when delivery ex works has been agreed on individual basis or if we are expected to have the shipment at our own expenses.

7. Incoming inspection, notice of defects

7.1. The commercial obligation to inspect and to notify defects shall be governed by the statutory requirements (Sec. 377, 381 of the HGB (German Commercial Code)), provided that our obligation to inspect shall be restricted to defects that become apparent during our incoming goods inspection and visual examination including shipping documents and during quality control using sampling procedure (e.g. transport damage, incorrect or short deliveries). No inspection is required if an acceptance procedure has been agreed on. Apart from that, it depends on the extent to which an examination is feasible according to the proper business procedures, taking into account the circumstances of the particular case. The above provision expressly does not entail any shifting of the tortious liability risk or of the product liability to the Supplier.

7.2. Any payments of the purchase price done before the detection of defects or the acceptance of the goods by us or by one of our representative with the Supplier shall in no way imply an acknowledgement that the goods are free of any defects and shall not release the Supplier from his warranty obligation.

8. Warranty

8.1. In case of delivery of defective goods the Supplier shall be liable in accordance with the legal regulations. If during the warranty period material defects of the deliverables occur, the Supplier has to provide supplementary performance; as a principle we shall have the right to choose the type of supplementary performance. The Supplier shall have the right to refuse the type of supplementary performance chosen by us, provided that the requirements of Sec. 439 Par. 2 BGB (German Civil Code) are met. We shall be entitled to unabridged statutory warranty claims; in any case we shall have the right to demand rectification of defects or delivery of a new product. The right to claim damages, particularly the right to graduated damages shall expressly remain unaffected. In addition, the Supplier shall also be liable to us for the compensation of extra costs and losses incurred by us or our customer as a result of the defects and damages.

8.2. If the Supplier fails to begin the rectification of defects directly after he was requested to do so by us, in cases of urgency, particularly to avert imminent danger or to avoid still larger damages, we shall have the right to do it ourselves or to have it done by a third party at Supplier's cost. The Supplier shall bear the resulting costs.

8.3. In case of deliveries rectified within the period of limitation for our warranty claims, the period of limitation shall begin again

the moment the Supplier has completely fulfilled our claims for supplementary performance.

8.4. If we recall the products produced and/or sold by us as a consequence of the deficiency of the subject-matter of the contract delivered by the Supplier or if the purchase price was decreased because of this or if we were otherwise claimed against because of this, we reserve the right to recourse against the Supplier, while no deadline that would be otherwise required has to be set in this case because of our warranty rights.

8.5. If within six month after the transfer of risk a material defect is detected, it is assumed that the defect already existed at the moment of transfer of risk, unless such assumption is inconsistent with the type of the object or the defect in question.

8.6. The warranty period shall be 24 months from the moment of transfer of risk. Irrespective of the above provision, the period of limitation for material defects shall be at least two months after we have fulfilled our customer's claims because of the defect against us, and not longer than five years after the delivery by the Supplier.

9. Liability / Product liability

9.1. Unless the liability has been regulated otherwise elsewhere in these terms and conditions, the Supplier shall be liable for the compensation of damage incurred by us directly or indirectly because of a culpable tort or violation of his obligations by the Supplier.

9.2. Insofar as the Supplier is liable for the damage for a product, he shall be obligated to indemnify us from any damage claims by third parties at our first demand insofar as the cause for such claims lies in his field of control and organisation and he is liable in external relations. The Supplier's obligation to indemnify includes, in addition to payment of damages to third parties, also the legal costs, recall costs, inspection costs, assembly and disassembly costs and our administration expenses and other expenses for the processing of the claim.

9.3. In the context of his liability, the Supplier is also obligated to reimburse any possible expenses pursuant to Sec. 683, 670 BGB and Sec. 830, 840, 426 BGB arising from or in connection with any recall campaign or preventive customer service measures carried out by us. We shall inform the Supplier about the content and the extent of such recall campaign or preventive customer service measure where practicable and reasonable and shall offer him an opportunity to make any comments.

9.4. The Supplier agrees to maintain product liability insurance with a lump amount of coverage of 5 million per event of personal injury/property damage and a recall costs insurance with an amount of coverage of 5 million per event of damage, unless agreed otherwise. Any further claims for damages that we are entitled to shall remain unaffected.

10. Workmanship / Environment protection, health and safety

10.1. The Contractor is obliged to comply with the recognised state of the art, the applicable legal and official regulations, and the operating rules and regulations of the Client. In particular, the Contractor shall adhere to the health and safety regulations of the professional associations, the "General Rules" BGVA1 and the generally accepted safety and industrial medicine regulations. Machinery and technical work equipment must be accompanied by operating manuals and an EC declaration of conformity in accordance to the machine directive. They must also conform to the standards specified in the lists A and B of the "General Regulation for the Act on Technical Equipment" and to other rules with safety-related content and regulations and rules of the professional associations. Work equipment with CE marking shall be preferably delivered, if no mark of conformity has been issued, the adherence to the regulations specified above has to be proved at Client's request.

10.2. The Supplier agrees to comply with the requirements of the EU Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (Regulation (EC) No. 1907 / 2006; REACH Regulation), of the EU Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (Directive 2011/65/EU RoHS Directive), of the EU Directive on end-of life vehicle (Directive 2000/53/EC) and of the Chemicals Prohibition Ordinance. If the Supplier delivers substances that are deemed hazardous substances as defined by the Ordinance on Hazardous Substances (GefStoffV), the Supplier shall also be obliged to provide the EC Safety Data Sheet (Sec. 14 of the Ordinance on Hazardous Substances) without further request before the delivery. Goods that fail to fully comply with these requirements may not be delivered to the Buyer. The Supplier may not use carcinogenic substances.

11. Waste disposal

If Contractor's deliveries/services produce waste, the Contractor shall recycle or dispose of such waste at his own expense in accordance of provisions of the law on waste management, unless otherwise agreed in writing. Title, risk and the responsibility under the waste disposal law shall pass to the Supplier the moment in which the waste is produced.

12. Confidentiality

12.1. All business or technical information whatever provided by us, including features of items or documents to be delivered, if applicable, and other know-how and experience shall be kept secret and may be disclosed only to persons within the Supplier's own company who have to be involved necessarily into their processing for the purpose of delivery to us and who shall be subject to the same obligation to secrecy; they remain our property exclusively. Without our prior consent in writing such information may not be duplicated or used commercially, except for deliveries to us.

12.2. The confidentiality obligation shall not apply to information that is proved to

- be known to the public already at the time of its disclosure,
- have become known after its disclosure without the Supplier's fault,
- after its disclosure by us, have been disclosed to the Supplier by third party in a legally permitted way and without any restrictions as to its confidentiality or use.

The confidentiality obligation shall expire two years after the end of the contractual relationship between us and the Supplier.

12.3. Any information provided by us (including copies or records made, if applicable) and objects provided on a loan basis have to be returned to us or destroyed immediately and completely at our request. The destruction has to be confirmed to us in writing. We reserve all the rights as regards such information (including copyright and the right to exercise the industrial property rights, such as patents, utility models, trademark protection, etc.). Insofar as such information was provided to us by third par-

ties, this legal reservation shall also apply in favour of such third parties.

12.4. Drawings, models, templates, samples and similar objects may not be handed over or made otherwise available to unauthorised third parties. Copying of such objects is only permitted within the scope of the operational requirements and subject to the copyright regulation.

12.5. Supplier must impose corresponding obligations on his subcontractors.

12.6. The contract parties may refer to their business relationship in their advertising only with previous written consent of the other party.

13. Retention of title

13.1. Insofar as we provide any parts to the Supplier, we shall retain title in such parts. Any processing or alterations shall be made by the Supplier on our behalf. If our goods that are subject to retention of title are processed together with other objects that do not belong to us, we shall acquire the joint title in the new object at a ratio of the value of our item (purchase price plus VAT) to the other processed objects at the moment of processing.

13.2. If the item provided by us is mixed inseparably with other objects that do not belong to us, we shall acquire the joint title to the new object at a ratio of the value of the item that is subject to retention of title (purchase price plus VAT) to the other mixed objects at the moment of mixing. If the mixing is done in a way that the Supplier's object has to be considered the main item, the parties agree that the Supplier shall assign to us proportionate joint title to it; the Supplier shall keep the wholly owned objects or the jointly owned objects in custody on our behalf.

13.3. We reserve our title to tools; the Supplier shall be obligated to use the tools exclusively for the production of goods ordered by us. The Supplier has to insure the tools that belong to us at replacement value and at his own expenses against damages caused by fire, water or theft. At the same time, already now, the Supplier shall assign any claims for compensation based on such insurance to us and we hereby accept the assignment. The Supplier agrees to carry out any services and inspection work as well as maintenance and repair work on our tools that could be necessary in due time and at his own expenses. He shall inform us immediately about any failures; if he culpably fails to do so, any claims for damages shall remain unaffected.

13.4. We shall be obligated to release the security interests at our own discretion and at Supplier's request, if the security interests we are entitled to based on Par. 13.1 and 13.2 exceed by more than 10% the purchase price of all our goods subject to retention of title that have not been paid yet.

13.5. Any models, moulds, templates, samples, tools and other manufacturing equipment as well as confidential data provided by us to the Supplier may only be used for deliveries to third parties with our previous consent in writing.

14. Industrial property rights

14.1. The Supplier shall be liable for any claims resulting in the course of the use of delivered items because of violation of industrial property rights and applications for industrial property protection. The Supplier assures that no rights of third parties are violated by the delivery in connection with the delivery and through such delivery.

14.2. If an action is brought against us by a third party, the Supplier shall be obligated to indemnify us against such claims at first written request; we shall not be entitled to enter into any agreements – in particular to conclude a settlement – with the third party without the Supplier's consent.

14.3. The above shall not apply if the Supplier produces delivery items according to drawings, models or descriptions or data similar to them provided by us and does not know or does not have to know in the context of product developed by him that industrial property rights are being violated by this.

14.4. At our request the Supplier has to inform us in writing about the use of published and unpublished own or licensed industrial property rights and applications for industrial property protection for the delivery item.

15. Subcontractors / Staff from non-EU countries / Minimum wages

15.1. Prior written consent of the Client is required in order to contract subcontractors. The Contractor shall impose all the obligations he assumed to the Client related to the tasks assumed by him on his subcontractors and to ensure their fulfilment.

15.2. If the Contractor or a subcontractor employ staff that are not from EU countries, the relevant work permits have to be submitted to the Client by the Contractor before the beginning of the work.

15.3. If the Contractor uses subcontractors without a prior written consent pursuant to Paragraph 15.1 or if the Contractor violates his obligation to submit work permits pursuant to Paragraph 15.2, the Client shall have the right to withdraw from the contract and/or to claim damages for non-performance.

15.4. The Contractor may not prevent his subcontractors from concluding contracts about other deliveries/services. In particular, exclusivity contracts with third parties that prevent the Client or the subcontractor from procuring the deliveries/services required by the Client himself or by the subcontractor for the processing of such orders shall not be permitted.

15.5. The Contractor confirms that his employees and other persons employed accordingly are employed in accordance with the valid provisions of the Minimum Wages Act (MiLOG). The Contractor shall indemnify the Client against any claims of third parties, in particular any fees, that may be asserted against the Client because of noncompliance with the provisions of MiLOG.

16. Insurances

16.1. The Contractor shall maintain liability insurance cover with terms customary in the industry for the duration of the contract, including guarantee and warranty periods (minimum cover of 1.5 million euro per damage event). Proof of such cover has to be furnished by the Contractor if requested to do so by the Client; lower cover amounts have to be agreed with the Client in each individual case.

16.2. All deliveries directed directly to the Client (e. g. deliveries under purchase contracts, work deliveries, maintenance deliveries or custom products, but not material deliveries for service contracts which the Contractor is carrying out on the Client's premises) are covered under transportation insurance by the Client. In this regard, the Contractor has to make a waiver declaration regarding the damage insurance of the mandatory freight forwarders' insurance (SLVS) or to provide a comparable cover. Any premiums for such damage insurance or other self-insurance shall be borne by the Contractor.

17. Motorised and pedestrian access to the company site

17.1. The instructions of the Client's staff shall be followed when entering the company site of the Client by vehicle or on foot. Due prior notice shall be given before entering the company site/construction site by vehicle or on foot. Statutory regulations governing road traffic and licensing shall be observed. The Client and his staff shall only be liable in case of gross negligence and intent irrespective of the legal reason, and in case of damages to life, limb or health also in case of simple negligence.

17.2. If services are rendered on the company's site, the relevant construction site regulations shall apply. When starting work or at earlier request the Contractor's supervisors will be issued a copy of the construction site regulations including list of schedules against signature. The supervisor has to confirm in writing that he took notice of the contents of the construction site regulations including list of schedules.

18. Final Provisions

18.1. The law of the Federal Republic of Germany shall apply exclusively, unless agreed otherwise. The application of the UN Convention on Contracts for the International Sale of Goods (CSIG) shall be excluded.

18.2. Place of performance shall be our place of business.

18.3. Place of jurisdiction shall be Düsseldorf, however, we shall have the right to bring a legal action against the Supplier also at his place of general jurisdiction.

18.4. Invalidity of individual provisions shall not affect the validity of the remaining provisions. The contracting parties shall replace the invalid provision by a provision that has the equal economic effect. The same shall apply in case of gaps.

18.5. The company does not agree to participate in dispute settlement proceedings before consumer arbitration bodies in terms of sec. 36, para. 1 VSBG (German consumer dispute settlement law). However, the possibility of dispute settlement through a consumer arbitration body in the context of actual disputes with the consent of both parties shall remain unaffected (sec. 37 VSBG).