

# General Purchase Conditions

## I. Scope of application

1.) Our orders are placed exclusively based on the applicable version of these General Purchase Conditions. These Purchase Conditions apply both to current and future contracts with the suppliers, even if we do not explicitly refer to these Purchase Conditions.

2.) We do not recognize business terms of the supplier that are contrary to or different from our General Purchase Conditions even if we do not explicitly contradict them. Business terms of the supplier will not even apply when we accept deliveries or services from the supplier without reservation although we are aware that some of the supplier's terms & conditions are contrary to or different from our General Purchase Conditions.

3.) These Purchase Conditions only apply to companies.

## II. Orders and contract conclusion

1.) Our orders and purchase offers are only binding when they are made or confirmed in written form, by fax or Email. Our orders are valid for a period of 1 week from the time we have placed the order unless stated otherwise in the order. The acceptance of the order by the supplier is deemed in time if we receive the order confirmation within this period in written form, by fax or Email. In the event that the order confirmation deviates from the order, the contract will only be concluded if we have explicitly agreed to the deviation in written form, by fax or Email.

2.) Changes to the contents of the contract, specifically to the product or service we purchased, after contract conclusion must be laid down in writing for evidential purposes.

3.) The written contract documents contain all agreements made at the time of contract conclusion. Our employees are not entitled to make verbal side agreements or verbal promises that exceed the content of the written contract.

4.) Drafts, calculations, models or the like of the supplier are free of charge and non-binding to us, unless otherwise agreed upon in writing.

## III. Prices, terms of payment, offsetting and rights of retention

1.) Unless otherwise indicated, the prices indicated in our order are expressed in Euros. They are fixed prices that include delivery franco to our premises, including packing, transport and insurance. Prices of imported goods include any custom fees, taxes and other costs of importation; hence, unless agreed otherwise, the .DDP clause (Incoterms 2010) will apply.

2.) Invoices and delivery notes must indicate the purchase order number used in the purchase order. Goods without delivery note and indication of the purchase order number will not be accepted.

3.) Unless otherwise agreed upon in writing, our payment will be effected within 14 days from delivery and receipt of invoice, with 3 % discount, or within 30 days after receipt of invoice, net cash. Payment without reservation does not imply any recognition that what has been delivered or provided is free from defects.

4.) As fast as prepayment from our company has been explicitly agreed, the supplier will provide an absolute, irrevocable and unlimited guarantee equal to the amount of prepayment at its own cost when requested by us; this guarantee is issued by a credit institution or insurance company registered in Germany which is subject to the German Insurance Supervision Act. The guarantee must include waiving the defence of failure to pursue remedies, waiving the defence of voidability and the right of deposit with a public authority.

5.) We are entitled to unrestricted rights of offsetting and retention.

## IV. Nature of the goods; software

1.) The delivered goods must comply with our requirements as resulting from our purchase order, possible drawings, plans or the like, they must be able to meet their intended use and must represent state-of-the-art. Legal and authoritative regulations concerning the goods must imperatively be observed by the supplier.

2.) Before accepting the purchase order, the supplier has check documents that were sent to them, e.g. description or drawing of the goods, for any faults, ambiguities or contradictions. If the supplier has reservations, they shall immediately inform us in writing. After conclusion of the contract, modifications of the goods, for example changes in design, composition and manufacture, may only be made with our prior written consent.

3.) For the goods ordered, the supplier will take all measures required for environmental protection and accident prevention and check that they are consistent with the legal and authoritative requirements.

4.) If the goods ordered are subject to standards and guidelines such as ISO, IEC, EN, DIN, VDE, these are to be complied with by the supplier in the manufacturing and delivering of the goods.

5.) The basic health and safety requirements for the design and construction of machinery in accordance with applicable European machinery directive have to be met. The supplier has to provide evidence of compliance with common accident prevention regulations by providing the CE marking in conjunction with the currently valid declaration of conformity.

6.) Unless otherwise agreed upon in writing, the supplier has to make sure that all maintenance plans and electrical drawings as well as the user manuals and cleaning instructions and spare parts lists are supplied with the goods, in as much as this is common practice and required for the supplied goods. The supplier also has to provide the entire documentation in accordance with the EC Machinery Directive, the Manufacturer Declaration and, if required, the CE Declaration in two written copies and in one PDF file. These documents are included in the agreed price.

7.) The supplier has to make sure that spare parts lists are available for a period of 10 years from the date of delivery.

8.) If software is required for the operation of an ordered part, this is included in the scope of supply bought at the agreed price. Such software and other software bought by us shall be made available by the supplier so that we have the required rights of use for the software for an unlimited period of time. We are entitled to include the transfer of the rights of use of the software in the resale of a machine to the buyer of that machine. The applicable licences and granted rights are included with the purchase price.

## V. Regulations for goods subject to the REACH provisions

If ordered goods are subject to the REACH provisions within the meaning of the EC regulation N°.1907/2006 or a follow-up regulation for registration, evaluation, approval and restriction of chemicals, the supplier shall ensure that all requirements and prerequisites regarding the placing on the market and the delivery of such goods to us are complied with. The supplier shall inform us without undue delay in the event that goods delivered by them or the primary or secondary packaging of such goods contain substances that are subject to the REACH provisions.

## VI. Quality control

1.) Using an appropriate quality assurance system, the supplier shall ensure that the goods delivered by them are of high quality.

2.) The quality of the raw materials used, the manufacturing process and the finished goods shall permanently be monitored in an appropriate form by the supplier; the monitoring result is to be documented, and the documentation is to be archived so that it can be allocated to the relevant delivered batches. Upon our request, the supplier shall provide us with a copy of the documentation of the goods delivered to us.

3.) We shall be entitled at any time to perform and/or have visits and quality controls performed at the premises of the supplier during the usual business and working hours.

## VII. Delivery, delivery dates

1.) The delivery times (dates or deadlines) indicated in our order documents will be binding.

2.) If the supplier realizes that they will not be able to adhere to the delivery times, the supplier shall notify us without undue delay, either in writing, by fax or via e-mail.

3.) The supplier is entitled to perform partial deliveries only after prior written agreement.

4.) Even in the case that shipment has been agreed, the risk shall not pass onto us before the goods are handed over to us at the agreed place of destination. In the event that the scope of supply includes installation work or commissioning, the supplier's duties shall be deemed fulfilled only after such installation work or commissioning has been fully completed and an acceptance test has been passed.

5.) If the supplier falls into default, we shall be fully entitled to the respective statutory claims, in particular to a right to terminate the contract as well as a claim for compensation for damages, even for any consequential damage, compensation for futile expenses and loss of profit. Irrespective of any further statutory claims, the supplier shall reimburse us for damages caused by such default, amounting to 1 percent of the value of delivery per day, but not more than 5% of the order sum. The supplier is free to provide evidence that the default did not result in any damage at all or only in significantly less damage.

6.) Unless otherwise agreed upon in writing, the supplier has to take back packaging, in particular transport packaging, at its own cost. We will return any reusable packaging, such as pallets or boxes, in the same manner and quality, provided that a corresponding agreement exists.

7.) In the event that any formal acceptance of the ordered goods has been agreed, the acceptance shall be accompanied by an acceptance protocol to be signed by us and the supplier. Upon acceptance, the risk of accidental destruction and the risk of accidental deterioration shall pass on to us; this shall not apply to any factory runoff (factory acceptance test).

## VIII. Examination of goods, rights arising from defects

1.) We will check incoming goods for deviations in quality and quantity within a reasonable period of time; in this process, proper visual inspection of the delivered goods and the accompanying documents to be provided by the supplier shall be deemed sufficient for fulfilment of our examination obligations under commercial law.

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2.) As a general rule, a random inspection of the goods suffices. If any random sample is defective, we will be entitled to return the entire delivery.

3.) Acceptance or approval of any sample or test material made available to us does not exclude the warranty obligation of the supplier.

4.) Our notices of defects shall be deemed 'in time' if they are received by the supplier within a period of 5 workdays following receipt of the goods and/or, in any case of hidden defects, upon detection of such defects. A notice of defects shall be deemed proper if the supplier is orally informed of such defects: notification by telephone will be sufficient.

5.) We shall be fully entitled to the statutory claims and rights arising from material defects or defects of title.

6.) If the supplier does not fulfil its obligation of supplementary performance within a reasonable period of time after notification of defects or, in urgent cases, if the supplier is not able to immediately carry out supplementary performance after prior notification, we shall be entitled to remove such defects ourselves and/or to have them removed at the expense of the supplier. Upon receipt of our notice of defects by the supplier, the period of limitation of warranty claims arising from the defects covered by the notice of defects shall be suspended. In the event of replacement delivery or repair of defects by the supplier, the warranty period for replaced and subsequently repaired parts will start anew.

7.) The period of limitation for warranty claims is 36 months from the date of transfer of the risk.

## IX. Property rights of third parties

1.) The supplier is liable that that property rights of third parties, in particular utility models, patents and licences, are neither violated by the goods delivered by the supplier (including software) nor by any further delivery, processing or use of such goods by us within the contractually foreseeable intended purpose.

2.) If a claim is asserted by any third party due to possible violations of property rights, the supplier shall release us and our customers from liability upon first request; the supplier shall bear all costs arising for us in this context.

3.) In the case of contradicting property rights held by third parties, the supplier shall, at its own cost, obtain the consent or approval, also effective for us, from the proprietor to deliver the goods to other buyers, to process the goods or utilise the goods in any other manner.

4.) The period of limitation for the claims above is 10 years from the legal commencement of the period of limitation.

## X. Product liability

1.) If any claim is asserted against us in accordance with the German Product Liability Act, the product liability law of any EC member state or any third country and if such claims arise from defects in the goods supplied, the supplier shall indemnify us from any and all related claims in this respect if and to the extent that the cause of damage lies within the supplier's area of responsibility. This also applies in as far as third parties, who have satisfied the claims for compensation of any damaged party, assert claims to recourse. The supplier shall release us from any costs, including the expenses for necessary recall actions as well as the legal costs of any necessary assertion of our legal rights. This will however not apply in the case of fault-based liability if the supplier is not at fault.

2.) If claims of the type above are asserted against us, we will notify the supplier without undue delay

and make the corresponding documents available to them. Within a period of 10 workdays after receipt of such documents, the supplier shall declare to us whether we can accept the claims made or whether we shall reject them.

3.) The supplier shall maintain a product liability and recall insurance with an amount of coverage of at least 5 million euros per case of liability and shall be obliged to maintain such insurance cover, even after complete fulfilment of any and all mutual obligations from the agreement, for a period of 10 years after we have placed the processed goods on the market. Upon our request, we shall be provided with a recent proof of such insurance coverage.

## XI. Liability

1.) The supplier's liability is unlimited within the legal requirements. In particular, the supplier is liable for its own faults or faults of any of its auxiliary agents, even for any consequential damage caused by defects as well as for financial losses.

2.) Irrespective of any further claim arising from defective delivery by the supplier, the latter is obliged, in the event of any complaint by public authorities regarding the delivered goods that is based on a manufacturing defect or any other circumstance for which the supplier is responsible, to bear the costs resulting from sampling and inspections by authorities, also including necessary recalls. In such cases, the supplier is also obliged to assume and/or reimburse the entire costs of legal enforcement.

3.) Costs of legal enforcement are to be reimbursed on the basis of an hourly rate amounting to up to €500 net per hour plus expenses and VAT.

## XII. Provision of materials, tools, reservation of ownership

1.) If we provide materials to the supplier, such materials will remain our property. Any processing or transformation of the provided materials by the supplier shall be carried out for us. If the provided materials are processed with other goods that are not our property, we will acquire joint ownership of the new object at the ratio between the value of the reserved ownership goods and the other processed materials at the time of processing.

2.) In case of culpable damage to or destruction of provided materials or parts for which the supplier is responsible, the supplier's liability shall also cover the respective costs of repair and / or replacement of the provided part.

3.) We reserve ownership of the tools made available by us or paid by us. The supplier is obliged to only use the tools to manufacture the goods ordered by us, to treat and store the tools owned by us in compliance with the duties of a prudent businessman and to insure them at replacement value against damage due to fire, water and theft at its own cost. The supplier shall already now assign to us all claims for compensation resulting from such insurances, and we hereby accept such assignment. The inspection and maintenance that need to be carried out on these tools as well as any preventive maintenance and repair maintenance shall be carried out by the supplier in due time at its own cost. The supplier shall inform us of any possible faults without undue delay.

## XIII. Confidentiality

1.) The supplier shall treat all information it receives due to its cooperation with us as confidential, unless such information was in the public domain at the time of receipt from the disclosing party, was lawfully received from some third party having a right of further disclosure or was developed independently by third parties. All rights to information made available to the supplier shall remain with us.

2.) The supplier shall use the information made available to it only for the purposes of fulfilling the agreement concluded with us. All pictures, drawings, calculations and other documents handed over by us shall be kept confidential by the supplier and shall remain our property. After termination of the contract, such documents are to be returned to us without request, without undue delay and in their entirety, unless the supplier still needs these documents to fulfil its contractual obligations. Goods that are manufactured on the basis of such confidential information made available by us may only be used for the purpose prescribed in the contract. In particular, such goods must neither be offered nor delivered to third parties.

3.) The supplier shall oblige its sub-contractors and employees accordingly.

## XIV. Place of fulfilment, place of jurisdiction and applicable law

1.) The place of fulfilment for any performance according to the contract shall be our domicile.

2.) If the supplier is a businessman within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, then the place of jurisdiction to be agreed upon for all claims arising from the business relationship shall be Bielefeld, Germany; we also reserve the right to sue the supplier, at our discretion, at its general place of jurisdiction. This place of jurisdiction shall also apply if the supplier does not have a general place of jurisdiction in Germany, if the supplier changes its place of residence or its habitual abode or its domicile from Germany to an area outside Germany following the conclusion of the present contract or if the supplier's place of residence, domicile or habitual abode is not known at the time any action is filed.

3.) The legal relationship with the supplier shall be governed exclusively by the laws of the Federal Republic of Germany and shall not be governed by the conflict-of-law rules and the United Nations Convention on Contracts for the International Sale of Goods.

## XV. Severability clause

If one or more provisions of these General Purchase Conditions or any provision within the framework of other agreements are or become invalid, this shall not affect the validity of all other provisions or agreements.