



# GENERAL TERMS AND CONDITIONS OF PURCHASE (GERMAN LAW)

Applicable to purchasing transactions with German suppliers

## 1. General

- 1.1. Our Terms and Conditions of Purchase apply exclusively; general terms and conditions of the Supplier conflicting with or deviating from our Terms and Conditions of Purchase shall be deemed as binding only to the extent as we have expressly agreed to them in writing. Acceptance or payment of goods and services (hereinafter referred to as well as "Products") does not constitute our acceptance or confirmation and shall not be construed in any other regard as our approval.
- 1.2. Any reference made in our Terms and Conditions of Purchase to the INCOTERMS issued by the International Chamber of Commerce shall be deemed to refer to the edition being in force on the date of our order.

## 2. Effectiveness of and amendments to Contracts

- 2.1. Orders, agreements and order releases as well as modifications and supplements thereto must be made in writing.
- 2.2. Oral agreements of any kind – including subsequent modifications and supplements to our Terms and Conditions of Purchase – must be confirmed by our purchasing department in writing and expressly to become effective.
- 2.3. The written form requirement is also deemed to be met if communications are sent by email or facsimile transmission.
- 2.4. Cost estimates are binding and are not subject to be compensated unless otherwise expressly agreed.
- 2.5. Regardless of any measure taken by us requesting the Supplier to accept an order placed with the Supplier we are entitled to revoke an order if the Supplier does not accept the order within two weeks of receipt thereof.
- 2.6. Order releases within the framework of order and order release planning shall become binding if the Supplier does not object within two working days of receipt thereof.
- 2.7. The agreements on Quality (Quality Assurance Agreement), Occupational Health and Safety, Environmental Protection and Social Responsibility for Suppliers, the Logistics Manual and our Delivery and Packaging Specifications form an integral part of the contract.

## 3. Scope, Changes, Spare Parts, Subcontractors

- 3.1. The Supplier shall ensure that all significant data and circumstances in terms of its performance of its contractual obligations as well as the intended use of its deliveries are known to the Supplier in good time. Offers shall be at no expense to us. The Supplier shall ensure before providing any offer that it has exactly examined the local circumstances and is certain of the situation as a result of inspecting the documentation for the carrying out of the performance and compliance with technical and other regulations. The Supplier shall check all documents provided for matters including the local situation, correctness, feasibility as well as any performance of preliminary work by third parties. The Supplier shall notify us in writing without unreasonable delay of any concerns with details of the reasons and the Supplier shall bring about an agreement with us as to the carrying out of the work.
- 3.2. We are entitled to request from the Supplier modifications in the design and construction of the supplied articles, so

long as Supplier can be reasonably expected to meet such requests. The Supplier shall implement such modifications within a reasonable period of time. Mutually satisfactory agreements shall be concluded concerning the consequences of such modifications, in particular with regard to delivery dates, extra and reduced costs. We will determine such consequences within our reasonable discretion if agreement regarding the matters outlined in the previous sentence cannot be reached within a reasonable period of time.

- 3.3. In case of delivery of production material the Supplier shall ensure that it will continue to be able, for a period of 15 years following the termination of the supply relationship and on reasonable terms and conditions, to deliver to us the supplied articles or parts thereof as spare parts.
- 3.4. The Supplier shall be entitled to assign any of its duties to subcontractors only with our prior written approval.

## 4. Delivery

- 4.1. Performance of delivery in conflict with our agreements and orders are only admissible upon prior written approval of our purchasing department.
- 4.2. Agreed periods and dates are binding. Punctual compliance with the delivery periods and delivery dates is determined by the date of receipt of the Products by us. Unless agreed to the contrary delivery must be performed meeting the requirements free at the location as designated by us (DDP INCOTERMS).
- 4.3. In addition to the delivery of the Products the Supplier shall provide us free of charge with all documentation required such as certificates of origin, test certificates, movement certificates, material safety data sheets.
- 4.4. If the Supplier is responsible for installation or commissioning and unless otherwise agreed, the Supplier shall bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances.
- 4.5. Unless agreed to the contrary the statutory provisions shall apply if agreed dates are not met. If the Supplier anticipates difficulties with respect to production, the supply of precursor material, compliance with the delivery period or similar circumstances that could interfere with Supplier's ability to deliver punctually or to deliver the agreed quality, the Supplier must immediately notify our purchasing department.
- 4.6. The unconditional acceptance of a delayed delivery or services does not constitute a waiver of claims to which we are entitled due to the delayed delivery or services.
- 4.7. Partial deliveries are inadmissible in principle unless we expressly agreed to them or can reasonably be expected to accept them.
- 4.8. The values established by us during the incoming Products inspection shall determine the quantities, weights and measurements subject to the reservation of different values being proved.
- 4.9. We are entitled to use software belonging to the scope of delivery, including the software documentation, to a statutory permissible extent (Sections 69a et. seq. German Copyright Act). We also have the right to use such

software, including the software documentation, with regard to the agreed performance characteristics and to the extent necessary for the use of the Product in accordance with the agreement. We also have the right to generate backup copies even without an express agreement.

## 5. Force Majeure

Acts of God, operational disturbances without fault, unrest, governmental measures and other unavoidable events discharge us from our obligation to take over delivery in time for the duration of such event. During such events and for a two week period thereafter we are entitled – notwithstanding to our other rights – to withdraw from the contract in whole or in part, provided that such events are not of inconsiderable duration and our requirements are considerably reduced as the Products have to be procured elsewhere as a result thereof. The aforementioned provisions apply also in the case of labour disputes.

## 6. Quotations, Order Confirmations, Invoices, Bills of Sale

- 6.1. Any quotation, order confirmation, invoice and bill of sale shall indicate our order no., our position no., our article no. as well as the commodity code (HS Code).
- 6.2. Invoices and bills of sale must state the bill of sale no. and the gross /net weight.
- 6.3. Invoices must indicate the invoice no. as well as other data specifying the transaction. Invoices shall be sent to us separately from the Products.

## 7. Pricing and Passing of Risk

- 7.1. The agreed prices are firm and not subject to escalation. They extend to all deliveries and performances required for the fulfilment of the Supplier's obligations.
- 7.2. Unless agreed otherwise, the prices include transportation and packaging.
- 7.3. The Supplier bears all risks of loss or damage to the Products until the Products are received by us or by our representative at the location to which the Products are to be delivered in accordance with the contract.

## 8. Payment Terms

Unless agreed to the contrary, invoices shall be paid either within 14 banking days subject to deduction of a 3 % discount or within 30 calendar days without any deduction. These periods shall commence with effect from the due date of payment and receipt of the invoice and the Products and accompanying documentation (Clause 4.3) or performance of the service. Payment is subject to invoice verification.

## 9. Acceptance of Work Performed

- 9.1. Any acceptance of work shall take place after completion of such by way of our formal counter-signature on the respective record of acceptance. In relation to any performance which cannot be subsequently checked or examined the Supplier shall give us in good time written notice requiring the examination. Any fictional acceptance by way of failing to respond to a request for inspection, or by way of payment or actual use is hereby excluded.
- 9.2. Acceptance of any type required by the official authorities, in particular acceptance by recognised experts, shall be arranged by the Supplier at its own expense before the acceptance of the work insofar as such is not expressly excluded from the scope of performance. Any official certificates as to defect-free nature or any official approv-

als or acceptances shall be provided to us in good time before the acceptance of the work.

## 10. Claims for Defects

- 10.1. The statutory provisions applicable to defects as to quality and title incl. the related liabilities for compensation shall apply except provided to the contrary below.
- 10.2. Acceptance of delivery is subject to the reservation of an examination for faultlessness, in particular also including accuracy and completeness, insofar and as soon as this is pertinent in the ordinary course of business. We will give notice of any defects found after their discovery as per our ordinary course of business. To this extent the Supplier waives the objection to delayed notification of defects.
- 10.3. In principle we have the right to select the type of supplementary performance. The Supplier may refuse the type of supplementary performance elected by us if such performance will cause disproportionate costs.
- 10.4. In the event that the Supplier does not commence rectifying the defect immediately after our remedial request, in urgent cases, especially to ward off acute danger or to prevent increase of damage, we are entitled to undertake such remedial by ourselves or to have it undertaken by a third party at the expense of the Supplier.
- 10.5. In case of defects of title, the Supplier shall also hold us harmless from any third party claims, unless the reason for the defect has arisen without the Supplier's fault.
- 10.6. The limitation period for claims based on defects is 3 years – except in cases of fraudulent misrepresentation or a guaranteed characteristic – unless the Products are designated for use in a building construction in accordance with their customary purpose and caused the defectiveness thereof. The limitation period commences when the Products are delivered (passing of risk).
- 10.7. If the Supplier meets its obligation to effect remedial performance the limitation period shall commence again to a full extent.
- 10.8. Should we incur expenses as a result of the defective Product, in particular transport, carriage, labour, assembly and disassembly, material costs or costs of incoming Products control exceeding the normal scope of the control, such costs shall be borne by the Supplier.

## 11. Product Liability

- 11.1. In the event a product liability claim is asserted against us, the Supplier is obliged to hold us harmless from such claims if and to the extent the damage was caused by a defect in the Product delivered by the Supplier. In cases of liability based on fault, this only applies, however, if the Supplier is at fault. Insofar as the cause of the damage falls within the area of responsibility of the Supplier, the Supplier must prove that it is not at fault.
- 11.2. If an event described under Clause 11.1 subsists, the Supplier shall bear all costs and expenses, including the costs of any legal proceeding.
- 11.3. In all other respects the statutory provisions shall apply.
- 11.4. Prior to any recall action which is partially or wholly due to a defect in a Product, we shall notify the Supplier, give the Supplier the opportunity to collaborate and consult with the Supplier the efficient conduct of the recall action, unless such notification or collaboration is not possible on account of the particular urgency. The costs of the recall action shall be borne by the Supplier insofar as a recall action is due to a defect in a Product delivered by the Supplier.

## 12. Rights of Withdrawal and Termination

- 12.1. In addition to the statutory rights of rescission we have the right to terminate the contract and/or any purchase orders with immediate effect if
  - 12.1.1. the Supplier has stopped supplying its customers, or
  - 12.1.2. there is or threatens to be a fundamental deterioration to the financial circumstances of the Supplier and as a result of this the performance of a supply obligation to us is in jeopardy, or
  - 12.1.3. an interim insolvency administrator is appointed or if insolvency proceedings are applied for or commenced in relation to the assets of the Supplier, or
  - 12.1.4. the Supplier ceases to make payments.
- 12.2. We also have the right to withdraw from or terminate the contract if the Supplier files an application for insolvency or comparable debt settlement proceedings to be initiated with respect to its assets.
- 12.3. If the Supplier has carried out a partial performance of the contract, we only have the right to cancel the whole contract, unless we have no interest in the part performed.
- 12.4. If we withdraw from or terminate the contract by virtue of the foregoing contractual rescission rights or respective termination rights, then the Supplier must compensate us for the loss or damage incurred as a result, unless the reason for such withdrawal or termination is beyond the Supplier's control.
- 12.5. Our statutory rights and claims shall remain unaffected.

## 13. Performance of Works on factory premises

Persons who carry out work on our factory premises in fulfilment of the contract must observe the respective plant regulations. The liability for accidents suffered by these persons on our factory premises is excluded except to the extent caused by wilful or gross negligent breach of duty by our legal representatives or persons employed in the performance of our obligations.

## 14. Means of Productions

- 14.1. Patterns, tools, mouldings, castings materials, parts, containers and special packaging, drawings etc. provided by us remain our property. They may only be used as designated and are subject to immediate return to us upon our first demand, in any event when the business relationship ceases to exist.
- 14.2. The materials are processed and parts are assembled for us. It is agreed that we are co-owner of the products manufactured with our materials and parts in proportion to the value of the materials or parts provided in relation to the value of the whole Product; such Products shall be kept safe for us by the Supplier.
- 14.3. In the event the Supplier is in default with the manufacturing of the Products or does not meet its contractual obligations or ceases manufacturing we may request the Supplier to deliver to us all patterns tools, mouldings, castings materials, parts, containers and special packaging, drawings etc. which have been paid fully by us. If such objects have not been paid in full by us the Supplier may claim a reasonable remuneration. The Supplier shall not destroy the aforementioned objects without our prior written consent.

## 15. Confidentiality, Ownership

- 15.1. The Supplier shall not disclose the execution of the contract and shall not disclose the business relationship for advertising means.

- 15.2. The Supplier shall keep confidential with respect to third parties all business and technical information made available by us (including features which may be derived from objects, documents or software provided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the Supplier's business facility who necessarily need to be involved in the use thereof for the purpose of delivery to us and who are also committed to confidentiality; the information remain in our exclusive ownership property. Without our prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to us. At our request, all information originating from us (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to us in full or destroyed. The obligation of confidentiality shall apply to personal data as well. It has a term of 5 years, such term commencing upon the termination of the Parties' business relationship.
- 15.3. The statutory protection of our business and trade secrets shall remain unaffected.
- 15.4. We reserve all rights to such information (including copy right and the right to file for industrial property rights such as patents, utility models, semiconductor protection, etc.). In the event such information has been provided to us by third parties, the reservation of rights also applies for the benefit of such parties.
- 15.5. Products manufactured on the basis of documentation drafted by us such as drawings, models etc. or based on our confidential information, or manufactured with our tools or with tools modelled on our tools, may neither be used by the Supplier itself nor offered or supplied to third parties.

## 16. Export Control, Customs

- 16.1. The Supplier shall inform us on any applicable (re-) export licence requirements for the Products under German, European or US export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products. Therefore, at least in his offers, order confirmations and invoices the Supplier shall provide the following information with respect to the Products:
  - 16.1.1. export list number (Ausfuhrlistennummer) pursuant to Annex AL to the German Foreign Trade and Payments Regulation (Außenwirtschaftsverordnung) or any comparable export list information of applicable export lists;
  - 16.1.2. ECCN (Export Control Classification Number) for US-goods (including technology and software) pursuant to the US Export Administration Regulations (EAR);
  - 16.1.3. country of origin of the Products and of the components thereof, including technology and software;
  - 16.1.4. any transport of the Products through USA, manufacture or stocking of the Products in the USA and whether the Products have been manufactured by using US technology;
  - 16.1.5. a contact person in its organisation to provide further information to us upon request.
- 16.2. Upon our request the Supplier shall provide any other foreign trade data with respect to the Products and their components in written form and the Supplier shall inform us on all changes to such data without undue delay and prior to delivery.

## 17. Compliance with Law

- 17.1. The Supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the Supplier shall set up and develop a management system in accordance with ISO 14001 within the realms of its possibilities. Further, the Supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labour and child labour, the elimination of discrimination when personnel is hired and employed, the responsibility for the environment and the prevention of corruption. Further information on the UN Global Compact Initiative is available at: [www.unglobalcompact.org](http://www.unglobalcompact.org).
- 17.2. In the event that a Supplier repeatedly violates the law and/or violates the law despite being given respective advice, and fails to evidence that the violation of the law has been cured as far as possible and that appropriate precautions have been taken to avoid violations of the law in future, we reserve the right to terminate or withdraw from existing contracts without notice.

## 18. REACH, RoHS, Ionising Radiation

- 18.1. REACH  
All Products delivered must comply with the requirements applicable from time to time pursuant to the REACH Directive of the European Union. The Supplier shall notify us immediately and shall consult with us on the measures to be taken in the event the Products or their availability for shipment or their purpose of use or their quality are subject to modification as far as such changes are associated with statutory provisions, in particular with regard to the REACH Directive. The same shall apply if the Supplier

identifies or to the best of its knowledge should have identified that such changes are imminent. An obligation of our customers (ultimate users) to conduct a (pre-) registration shall be precluded.

- 18.2. RoHS  
The Supplier guarantees that the Products are delivered in conformity with the RoHS Directive of the European Union.
- 18.3. Ionising Radiation  
The Supplier undertakes that all deliveries will be free from ionising radiation.

## 19. Miscellaneous

- 19.1. The place of performance is the place to which the Products are to be delivered in accordance with the contract or where the service is to be rendered.
- 19.2. The Supplier shall not sub-contract its obligations or parts thereof to a third party.
- 19.3. If one of the provisions of these Terms and Conditions should be or become ineffective, this shall not affect the validity of the Terms and Conditions in other respects. The parties hereto are obliged to agree upon a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision.
- 19.4. The contractual relationships shall be governed exclusively by German law excluding the conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods (CISG).
- 19.5. The venue for all legal disputes arising either directly or indirectly out of contractual relationships based on these Terms and Conditions of Purchase shall be Speyer am Rhein, Germany. We further have the right to take legal action against the Supplier at a court with jurisdiction over the registered office or branch office of the Supplier or at the court with jurisdiction over the place of performance at our discretion.