

§ 1 – General; Scope of Applicability

- (1) These General Terms and Conditions of Purchase (PTC) shall apply exclusively unless explicitly agreed upon differently in writing by both parties. We do not accept any supplier terms and conditions in opposition to or deviating from our terms and conditions. This shall apply also if we do not explicitly object to these. Unconditional payment and acceptance of contractual performance by our company shall not be construed to be acknowledgement of any supplier terms and conditions of sales or delivery.
- (2) These General Terms and Conditions of Purchase shall apply also to all business transactions for procurement and/or delivery of movables as well as other services to be provided by suppliers even if they are not explicitly agreed upon again. We will immediately notify the supplier about any changes to PTC.
- (3) Our General Terms and Conditions of Purchase apply only to entrepreneurs as defined in § 310 sec.1 BGB (German civil code).

§ 2 – Contract Conclusion

- (1) Purchase orders and agreements between our company and the supplier shall be effective and binding only if issued or confirmed in writing by our procurement department; (telefax, e-mail or transmission from our ERP-System shall be deemed to comply with such requirement).
- (2) If the supplier fails to acknowledge the purchase order within five business days, we are no longer bound to the purchase order.

§ 3 – Prices

- (1) The price stated in our purchase order is binding. In the absence of other written agreement, the price shall include delivery free domicile including packaging. Upon our request, the supplier shall take back the packaging material.
- (2) Our prices are net prices. Statutory VAT is not included in the price.

§ 4 – Payment Terms; Assignment of Claims

- (1) Invoices will state the order number and the supplier code; invoices for call-offs will also state the call-off number.
- (2) Unless agreed upon differently, payments will be made inside of 14 days counting from the time of delivery and invoice receipt with a discount of 3%, after 30 days with a 2% discount or after 60 days without any deductions. . If complete and flawless goods are delivered later than the invoice is received or if the invoice is incomplete, the date the goods are received or the proper invoice is received shall be decisive for defining such payment term. For any bank transfers, payment shall be considered made in due time if our transfer order is received by our bank prior to expiration of the payment term; we shall not be liable for delays in bank payment processes.
- (3) If claims are asserted against us for payment of statutory or contractually agreed interest for delay or compensation for damages, we are entitled to demonstrate that the supplier actually suffered lower damages. The interest on arrears shall be nine percentage points annually over the base interest rate.
- (4) We are entitled to statutory rights to retention and offsetting as well as defense of lack of contractual performance. We are particularly entitled to refrain from making due payments as long as we are entitled to claims against the supplier for incomplete or defective delivery.
- (5) The supplier without our prior written consent shall not be entitled to assign his claims against us or to have these collected by third parties; we will not unreasonably refuse such consent. In the presence of extended reservation of title, the consent is considered given. If the supplier assigns his claims against us to a third party without our consent, the assignment shall nevertheless be legally effective. We may at our own discretion provide our contractual performance to the supplier or the third party with discharging effect.

§ 5 – Delivery Period; Delay in Delivery

- (1) The delivery times and agreed deadlines and periods stated in the purchase orders are binding. The supplier must notify us immediately if he becomes aware of any foreseeable delays in delivery.
- (2) In the event of any delays in delivery, we are entitled to statutory claims. We are in particular entitled to claim compensation for damages caused by delay.
- (3) If the supplier is in delay, we may claim payment of a contractual penalty in amount of 1% of the net price per expired full calendar week, however in total no more than 5% of the net price of the goods delivered with delay. We are entitled to request payment of the contractual penalty in addition to fulfillment of contract and as minimum sum for statutory compensation for damages owed by the supplier; the right to claim further compensation for damages shall remain unaffected. If we accept the delayed contractual performance, we will assert the contractual penalty by no later than the date of final payment.

§ 6 – Quality; Documentation; Safety

- (1) If the nature and scope of inspections and testing, test devices and methods as well as archiving requirements for quality records have not already been agreed between our company and the supplier, for example in a quality assurance agreement, we are entitled during the manufacturing process and up to delivery of ordered goods to inspect at the supplier site all material, manufacturing processes and other work required to provide the contractual performances. If such inspection is refused without significant cause, we are entitled to withdraw from the contract. This applies also if a visual inspection already produces defects or deviations from the contractual characteristics and these cannot be remedied prior to the agreed delivery date. We may also at any time request reporting on the goods we ordered, in particular their status of manufacture. The supplier may not argue that we had not made use of our rights as provided in this section.
- (2) The supplier will archive the quality records for his goods for a period of two years, unless statutory or other applicable archiving periods are longer. The quality records will be submitted to us if so required.
- (3) The delivery items will correspond to our material specifications, the statutory and public administrative regulations including those on accident prevention and all applicable DIN, VDE and comparable standards. Hazardous materials will be labeled as such.
- (4) An analysis certificate will be enclosed to each raw-material shipment. The batch numbers must be stated in all delivery documents.
- (5) Our plant regulations, the applicable accident-prevention guidelines and the fire-prevention rules apply to any work to be done at our facilities.

§ 7 – Warranty for Defects

- (1) In compliance with statutory regulations, the supplier shall particularly be liable for the goods featuring the agreed characteristics at the time risk passes over. Such agreed characteristics shall in any case be those product descriptions which – in particular by way of designation or reference in our purchase order – are an integral element of the respective purchase order or which in identical manner as these PTCs are integrated into the contract. It makes no difference if the product description was provided by our company, the seller or the manufacturer.
- (2) Unless provided differently in quality assurance agreements between our company and the supplier, we will inspect the goods within a reasonable period of time for any quality and quantity deviations. Notices of defects will be considered made in due time if they are received by the supplier within a period of five business days from the day of goods receipt or – in the event of concealed defects – from the time these are discovered.
- (3) We are entitled to unrestricted statutory warranty claims, in particular the claim to remedying of defect or delivery of non-defective items (supplementary performance) at our sole discretion. The supplier will bear all costs and expenses required for supplementary performance; this shall also include dismantling and assembly costs. At our request, the supplier will take back the defective delivery item. If the supplier is at fault, we explicitly reserve the right to compensation for damages, in particular to compensation for damages in lieu of contractual performance.
- (4) Our liability for damages in the event of unjustified requests for removal of defects remains unaffected; in this respect we shall be liable only if we realized or due to gross negligence failed to realize that there was no defect.
- (5) Any acknowledgement of receiving contractual deliveries or the acceptance or approval of submitted drawings shall not be construed to be any waiver of our claims to warranty or any other rights.
- (6) The warranty period shall be 36 months after passage of risk.

§ 8 – Liability

- (1) Liability shall be based upon statutory provisions unless agreed upon differently or regulated differently in these terms and conditions.
- (2) If the supplier is responsible for a product defect, he is obligated to hold us harmless in this context upon first request against third-party claims to compensation for damages if the cause originates from within his domain and organizational area and he is liable to third parties.
- (3) In the scope of his liability for damages as defined above, the supplier shall also be obligated to refund any costs and expenses within the meaning of §§ 683, 670 BGB and §§ 830, 426 BGB incurred from or in context with any product recall campaign conducted by our company. To the extent possible and feasible, we will notify the supplier about content and extent of the required product recall campaign and will give him the opportunity to make representations. Any other legal claims and entitlements shall remain unaffected.
- (4) To the extent recourse is taken against us within the meaning of §§ 478, 479, 434 BGB and the cause for the defect is within the supplier's domain, he shall be obligated at first request to hold us harmless against any pertinent third party's recourse claims.

§ 9 – Transferal; Assignment of Contractual Performance

Without our prior approval, the supplier may not have other companies provide contractual services entirely or in part. Such approval shall not be unreasonably denied.

§ 10 – Confidentiality

- (1) Our purchase orders and all commercial and technical details in context with these and of which the supplier becomes aware in context with the business relation are to be kept in strict confidentiality unless the facts and circumstances are already in the public domain.

(2) Drawings, models, templates, samples and other similar items may not be disclosed to unauthorized third parties or otherwise made accessible; this applies also after the contract expires. Any duplication of these items is admissible only as required for operational purposes. As long as they have not been processed, these items will be stored separately at the supplier's expense and will be reasonably insured against loss and destruction.

(3) The supplier may refer to business relations to our company only after our prior written approval.

§ 11 – Place of Fulfillment; Passing of Risk

(1) The agreed place of goods receipt shall be place of fulfillment for deliveries and services. This shall apply also for defect warranty obligations. Ahrensböök shall be place of fulfillment for all other obligations or if no place of receipt has been agreed.

(2) Any deliveries, including those to a location other than the place of fulfillment, shall be at the supplier's risk.

§ 12 – Place of Jurisdiction; Applicable Law

(1) Lübeck shall exclusively be place of jurisdiction for all disputes arising directly or indirectly from or in context with this contractual relation. However, we may also take legal action at the supplier's place of residence or business or at those courts at which third parties take legal action against our company in context with circumstances originally arising from the supplier's delivery, services or other contractual obligations to us.

(2) The laws of the Federal Republic of Germany shall apply exclusively, unless agreed upon differently. The UN Convention on Contracts for the International Sales of Goods [CISG] of April 11, 1980 shall not apply.

The German version of these PTCs shall be exclusively authoritative; the English version is for information only.