

## Standard Purchasing Terms

### § 1

#### General Provisions – Scope of application

- (1) Our purchasing terms shall apply exclusively; we do not recognize contrary terms or terms deviating from our purchasing terms of the Supplier, unless we have expressly consented to their validity in writing. Our purchasing terms shall also apply if, in knowledge of contrary terms or terms deviating from our purchasing terms of the Supplier, we accept the delivery of the Supplier without reservation.
- (2) All agreements that are reached between us and the Supplier for the purpose of implementing this Contract must be recorded in writing in this Contract.
- (3) Our purchasing terms shall only apply vis-à-vis enterprises as provided in Section 310 (4) of the German Civil Code [*Bürgerliches Gesetzbuch* (BGB)].

### § 2

#### Offer – offer documentation

- (1) The Supplier is obliged to accept our purchase order within a set period of 2 weeks.
- (2) We shall retain titles and copyrights to illustrations, drawings, calculations and other supporting documents; they may not be made available to third parties without our express prior written consent. They must exclusively be used for the manufacture on the basis of our purchase order; after the handling of the purchase order, they must be returned to us without being requested. They must be kept confidential vis-à-vis third parties; inasmuch, the regulation of § 9 para. (4) shall apply supplementally.

### § 3

#### Prices– payment conditions

- (1) The price indicated in the purchase order shall be binding. In the absence of a written agreement to the contrary, the price shall include delivery “free domicile”, including packaging. The return of the packaging shall require a separate agreement.
- (2) The statutory value added tax shall be included in the price.
- (3) We can only process invoices if these – in conformity with the specifications in our purchase order – state the order number indicated there; the Supplier shall be responsible for all consequences arising on account of non-compliance with this obligation, unless it furnishes documentary proof that it is not responsible for these.
- (4) Unless agreed in writing otherwise, we shall pay the purchase price within 14 days, calculated as from the delivery and receipt of the invoice subject to the regulation in § 6 item (4), with 2% discount or within 30 days net after the receipt of the invoice.
- (5) We shall be entitled to rights of set-off and retention to the extent that is provided by law.

### § 4

#### Delivery time

- (1) The delivery time stated in the purchase order shall be binding.
- (2) The Supplier is obliged to notify us in writing without undue delay if circumstances occur or become recognizable to it from which it emerges that the conditional delivery time cannot be complied with.
- (3) In the case of a default in delivery, we are entitled to the statutory claims. In particular, after the expiry of an appropriate set period to no avail, we are entitled to demand damages instead of the service and rescission of the Contract. If we demand damages, the Supplier shall be entitled to the right also to furnish documentary proof that it is not responsible for the breach of duty.

## § 5

### Passing of the risk – documents

- (1) Unless agreed in writing otherwise, the delivery must take place free domicile.
- (2) The Supplier is obliged to state our order number exactly on all forwarding documents and delivery notes; if it fails to do this, we may not be held responsible for delays in the processing.

## § 6

### Investigation of defects – liability for defects

- (1) We are obliged to check the goods within an appropriate period for deviations in terms of quality and quantity; the notice of defects shall be in good time insofar as it is received at the place of business of the Supplier within a set period of 5 working days, calculated from the receipt of the goods or in the event of hidden defects from the time of their detection.
- (2) We shall be entitled to all statutory claims based on defects; in any case, we are entitled to demand from the Supplier the remedy of the defect or the delivery of a new item, at our choice. We expressly reserve the right to claim damages, in particular damages instead of the service.
- (3) We are entitled to carry out the remedy of the defect by ourselves at the expense of the Supplier if there is imminent danger or a particular urgency exists.
- (4) Should a defect for which the Supplier is held responsible be detected and an error report sheet generated, the discount period as provided in § 3 item (4) shall only start to run upon the completion of the error report sheet and the determination of the measures necessary for remedying the defects.
- (5) The Supplier shall reimburse the administrative expense for the drawing up of an error report sheet with a lump sum payment of 25 euros per report sheet insofar as the value of the goods exceeds this amount.
- (6) The prescription period shall be 36 months, calculated from the passing of the risk.

## § 7

### Product liability – indemnity – third party liability insurance protection

- (1) If the Supplier is responsible for product damage, it is obliged to indemnify us against the claims for damages by third parties upon first demand, insofar as the cause is located in its area of control or its organization and it is itself liable in its relations vis-à-vis third parties.
- (2) Within the scope of its liability for damage or loss-entailing events within the meaning of para. (1), the Supplier is also obliged to reimburse any expenses as provided in sections 683, 670 BGB as well as sections 830, 840, 426 BGB, which result from or in connection with a recall action carried out by us. We shall notify the Supplier about the content and scope of the recall actions to be carried out – as far as this is possible and reasonable – and give it the opportunity to make comments. This shall not affect any other statutory claims.
- (3) The Supplier undertakes to maintain product liability insurance with a sum insured in the lump sum amount of €10m per personal injury / material damage; if we are entitled to further claims for damages, these shall remain unaffected.

## § 8

### Patent rights

- (1) The Supplier guarantees that no third party rights within the Federal Republic of Germany will be infringed in connection with its delivery.
- (2) If a claim by a third party is asserted against us for this reason, the Supplier is obliged to indemnify us against these claims at first written request; we are not entitled to conclude any agreements with the third party, in particular reach a settlement – without the prior consent of the Supplier.
- (3) The Supplier's obligation to indemnify shall relate to all expenses that accrue to us necessarily from or in connection with a third party asserting a claim against us.
- (4) The prescription period shall be 10 years, calculated as from the time of the conclusion of the Contract.

## § 9

### **Retention of title – supply – tools – confidentiality**

- (1) Insofar as we supply parts at the place of business of the Supplier, we shall retain title to these. Any processing or alteration by the Supplier shall be carried out for us. If our goods to which title has been retained are processed with other objects not belonging to us, we shall obtain the co-ownership of the new item in the proportion of the value of our thing (purchase price plus VAT) to the other processed items at the time of the processing.
- (2) If the item supplied by us is inseparably mixed with other items not belonging to us, we shall obtain the co-ownership of the new item in the proportion of the value of the goods to which title has been retained (purchase price plus VAT) to the other mixed items at the time of the mixing. If the mixing takes place in such a way that the item of the Supplier must be seen as the main item, the parties agree that the Supplier shall transfer a proportionate share in the co-ownership to us; the Supplier shall keep the resulting sole ownership or co-ownership in safe custody for us.
- (3) We shall retain title to tools; the Supplier is obliged to use the tools exclusively for the manufacture of the goods ordered from us. The Supplier is obliged to insure the tools belonging to us at the replacement value at its own expense against fire, water and theft damage. At the same time, the Supplier hereby assigns to us in advance all claims for damages arising from this insurance; we hereby accept the assignment. The Supplier is obliged to carry out any required servicing and inspection work on our tools as well as maintenance and repair work in due time at its own expense. It must notify any incidents to us immediately; if it fails to do this intentionally or negligently, this shall not affect claims for damages.
- (4) The Supplier is obliged to treat all illustrations, drawings, calculations and other supporting documents as strictly confidential. They may only be disclosed to third parties with our express prior consent. The obligation to maintain confidentiality shall also apply after the implementation of this Contract; it shall lapse if and insofar as the manufacturing knowledge obtained in the illustrations, drawings, calculations and other supporting documents transferred to it for use by it has become generally known.
- (5) Insofar as the security interests to which we are entitled as provided in para. (1) and/or para. (2) exceed the purchase price of all of our still unpaid goods to which title has been retained by more than 10 %, at the request of the Supplier, we are obliged to release the security interests, at our choice.

## § 10

### **Place of jurisdiction– place of performance– applicable law**

- (1) If the Supplier is a merchant, our principal place of business shall be the place of jurisdiction; we are entitled, however, to bring an action against the supplier at the court of its place of residence.
- (2) Insofar as nothing else is indicated in the purchase, our principal place of business shall be the place of performance.
- (3) The relationships between the contracting parties shall be regulated exclusively in accordance with the law applicable in the Federal Republic of Germany. The application of the Uniform Law on the International Sale of Moveable Goods as well as the Law on the Conclusion of International Sales Contracts Regarding Moveable Goods [*Gesetz über den Abschluss von internationalen Kaufverträgen über bewegliche Sachen*] shall be excluded.

Idar-Oberstein, January 1, 2020

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