

## General Terms of Procurement

### 1. General Information

- 1.1 Our General Terms of Procurement shall apply exclusively. We shall not acknowledge any opposing conditions of the supplier or such as deviate from our terms of procurement unless we have expressly agreed to their validity. Our General Terms of Procurement shall also apply if we accept delivery of the goods of the supplier without reservation in the full knowledge of the supplier's opposing conditions or those which deviate from our Terms of Procurement.
- 1.2 All agreements reached between us and the supplier for executing the contract shall be recorded in writing in this contract.
- 1.3 Our General Terms of Procurement apply only to companies in accordance with Section 310 (4) of the German Civil Code (Bürgerliches Gesetzbuch, BGB)

### 2. Proposals

- 2.1 Proposals are for us non-binding and free of charge.
- 2.2 We reserve property rights and copyright for all the drawings, models, samples and other documents provided to the supplier or prepared by him in accordance with our instructions. They may not be made available to third parties without our express written consent. The documents may only be used to process the proposal and to carry out the delivery ordered. They must be returned to us on request immediately after our enquiry has been dealt with or the delivery ordered has been supplied. They must be kept confidential vis-à-vis third parties.

### 3. Orders/contract conclusion

- 3.1 Orders and other declarations are only binding if we have issued them in writing or confirmed them.
- 3.2 We expect order confirmations to conform fully with the content of the order and to be issued within ten days of the date of the order at the latest.
- 3.3 If the supplier confirms our order with a different content or conditions, our silence may only be construed as consent if he explicitly emphasises the change of content as such, and has not only referred to his conditions of delivery, but also refused to accept our Terms of Sale.

### 4. Prices, transfer of risk

- 4.1 The prices listed in the order are fixed prices unless a price escalation clause or a price reservation is explicitly agreed. The prices include compensation for all deliveries and services transferred with this order, including packaging.
- 4.2 The prices agreed apply free place of destination, or with rail shipments, free Knesebeck sidings, unless there is an agreement to the contrary.
- 4.3 Irrespective of the pricing, the risk is not transferred to us until the delivery object is handed over at the prescribed place of reception.

### 5. Delivery object

- 5.1 Our order shall be solely decisive for the content, type and scope of the delivery.
- 5.2 The drawings, descriptions etc. forming part of the order shall be binding on the supplier, but he must check these for any errors and point out such errors to us immediately in writing, whether these are discovered or suspected. The supplier shall retain sole responsibility for the drawings, plans and calculations he has produced, even if we have given these our approval.
- 5.3 Unless any further requirements have been specified in the order, the delivery objects are to be supplied in normal trade quality and insofar as DIN, VDI, DVGW or equivalent standards exist, in line with these. In every case, the delivery objects are to be produced and equipped in such a way that they comply with the statutory provisions applying at the place and time of delivery, in particular regarding technical equipment, hazardous working materials, accident prevention, protection against emissions and workplace health and safety, and they must correspond to the findings of ergonomic analyses.  
Portable electrical tools and electronic installation material must be produced in accordance with the VDE provisions. The drawing products must be checked in line with VDE and must always bear the VDE certification mark.
- 5.4 In calculating the weight, the incoming weights as tested by our works scales shall apply. Should weighing by us prove impossible, the official figures from a public weighing machine as listed on the bill of lading from the railway or the lorry delivery shall apply. If it is not possible to weigh the delivery object, the supplier shall demonstrate the weight.

### 6. Delivery time

- 6.1 The delivery time stated on the order shall be binding.
- 6.2 The day when the delivery object ordered, along with the shipping papers and certificates, reach the place of destination we have prescribed shall apply as the delivery day.
- 6.3 If the delivery time is recognisably exceeded, the supplier must inform us in writing immediately regarding the reason and probable duration. Irrespective of this, exceeding the delivery time shall incur the statutory default consequences, unless the excessive delay was demonstrably caused by force majeure affecting the supplier.

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- 6.4 In the event of a delay in delivery, our statutory rights apply. We are entitled in particular to claim damages instead of the service and withdrawal from the contract after an appropriate period has passed without result. If we claim damages, the supplier shall have the right to also demonstrate that the dereliction of duty was not his responsibility.
- 6.5 In the event of differences of opinion and resultant court cases or out-of-court disagreements between ourselves and the supplier, the work must also be continued without interruption and the agreed deadlines must be complied with.
- 6.6 An agreed contractual penalty can be charged out of, or subtracted from, the purchase price without having to reserve the right to do this upon acceptance. The contractual penalty shall not replace any other claims arising from the delay.

### 7. Packaging, shipping and acceptance

- 7.1 The supplier shall ensure adequate packaging of the delivery object in accordance with our delivery provisions, at any rate in line with normal commercial practice. Packaging of any kind must be taken back by the supplier free of charge.
- 7.2 If a separate payment for the packaging has been explicitly agreed, we reserve the right to return the used packaging material to the supplier's address, and to charge him for the full hiring fees or two-thirds of the packaging value.
- 7.3 Shipping shall take place at the place of destination that we specify. Deliveries for which we are required to pay freight charges in whole or in part are to be transported in the most cost-effective shipping manner and at the most favourable freight rate for us.
- 7.4 Shipping notices must be provided in triplicate immediately on the arrival of each individual delivery. A packing list must be attached to every shipment. Our order numbers must be stated on the shipping documents.
- 7.5 If no proper shipping documents are available to us on arrival of the delivery object or if our order numbers are not correctly stated on the shipping documents, all additional costs arising from this shall be paid by the supplier. In such cases we shall also be entitled to refuse to accept the delivery at the supplier's expense.
- 7.6 We may also refuse to accept the delivery object if an event caused by force majeure or other circumstances beyond our control make acceptance impossible or unreasonable. In such a case, the supplier must store the object at his own expense and risk.

### 8. Materials provided

- 8.1 The supplier is liable for the loss or damage to materials provided. We must be informed immediately of any legal or actual impairment.
- 8.2 In the processing of materials provided with other materials that do not belong to us, the shared ownership of the newly created product is owned by us in relation to the value of the materials we have contributed compared with the total value of all the goods used in the manufacture and the expense incurred by the supplier for their processing. If processing is done in such a way that the supplier's contribution is considered the major one, it shall be deemed agreed that the supplier shall transfer a proportionate share of the ownership to us. To this extent the supplier keeps the product for us free of charge. The same shall apply if our property is damaged by mixing or combining with another good.

### 9. Production tests, final quality controls

- 9.1 We reserve the right to check the accuracy of measurements and quantities and other quality of the parts to be manufactured and the compliance with the other provisions of the order on the supplier's premises and those of his pre-suppliers during production and before the delivery. We and/or our authorised third party must be informed in writing fourteen days in advance of the possibility of final quality controls, unless a contrary provision has been agreed. The material costs for production checks and final quality controls shall be paid by the supplier.
- 9.2 If we have specified that the final quality control of the completed delivery object shall be performed by a third party, the supplier must arrange the final quality control for us by the third party free of charge and provide us with the results of the checks immediately and with the shipping papers at the latest.
- 9.3 The production checks and the final quality control do not release the supplier from his fulfilment and warranty obligations.

### 10. Billing and payment

- 10.1 Bills are to be sent separately from the shipment immediately after the delivery for each order in triplicate, stating the order number. The review or acceptance certificates specified for the product must be sent with the bills. Payment agreements must be recorded on the bill without discount, or we shall be authorised to deduct discounts even after the prescribed notice period has expired. An agreed VAT figure must be listed separately on the bills.
- 10.2 The payments shall be made with the proviso that the bills must be correct and the supplies and services must comply with what has been agreed in the contract. Providing no contrary agreements have been made, payment made within eight days of the receipt of the delivery object will be subject to a three percent discount, payment within fourteen days will be subject to a two percent discount, while payment made by the end of the following month will not be subject to a discount. Review or acceptance certificates specified in the order for the product are part of the complete delivery. Payment will not begin until the proper certificates have been received.

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### 11. Assignment and evaluation

- 11.1 The supplier may not assign his contractual claims to third parties, either in whole or in part, without our agreement in writing. We hereby give our consent to advance assignments as part of a reservation of title from the supplier's pre-suppliers, provided that offsetting is also possible with counterclaims acquired after the notice of assignment.
- 11.2 We are entitled to offset all our financial demands on the suppliers against all the demands that are payable by us to the supplier for deliveries or on other legal grounds.
- 11.3 Offsetting is also permissible when payment, on the one hand, and payment in bills of exchange or another service in fulfilment, on the other, has been agreed, or when the due dates of the contrary claims are different. Claims which are not due shall be discounted for the period between the offsetting declaration and the due date at a rate of three percent above the base interest rate.

### 12. Warranty, notice of defects and warranty period

- 12.1 Unless there is agreement to the contrary, we undertake to check the good for possible quality or quantity variations within an appropriate period. Notice of defects shall be deemed in time if it is received by suppliers within a period of five working days from receipt of the good, or in the event of hidden defects, from the time these are discovered.
- 12.2 We remain entitled to the statutory warranty claims, without discount. We are entitled in every case to demand that the supplier corrects the defect or delivers a new good, as we choose. Our right to damages, in particular to damages instead of delivering the good, is explicitly reserved.
- 12.3 We are entitled to undertake correction of the defect ourselves at the supplier's expense in cases of imminent danger or particular urgency.
- 12.4 The period of limitation amounts to 36 months, calculated from the transfer of risk. The clock starts again for repaired or replaced delivery objects. The period of limitation for properly stored reserve parts does not begin until they go into use.

### 13. Product liability, indemnity, liability insurance protection

- 13.1 If the supplier is responsible for damage to a product, he is obligated to release third parties from claims for damages upon the first request to do so, provided that the cause lies within his area of control and organisation and to the extent that he is himself liable in the external relationship.
- 13.2 As part of his liability for cases of damage, the supplier is also obligated to refund any expenses incurred as a result or in the context of a recall campaign that we have initiated. We will inform the supplier of the content and scope of the recall measures to be performed – as far as possible and reasonable – and give him the opportunity to respond. Other statutory claims shall remain unaffected.
- 13.3 The supplier undertakes to maintain a product liability insurance policy with a coverage of EUR 10 million for every case of damage to persons or materials – on a lump sum basis. If we are entitled to additional claims for damages, these shall remain unaffected.

### 14. Industrial property rights

- 14.1 The supplier shall ensure that no rights of third parties are infringed in connection with his delivery.
- 14.2 If a third party submits a claim against us for infringement of rights, the supplier undertakes to release us from these claims upon our initial written request. We are not entitled to enter into any agreements with the third party, especially not to reach a settlement, without the supplier's consent.
- 14.3 The supplier's duty to provide release refers to all expenses occurring for us from or in connection with claims necessarily arising on the part of a third party.
- 14.4 The period of limitation amounts to 10 years, calculated from the conclusion of the contract.

### 15. Additional statutory obligation

Unless otherwise agreed, the statutory provisions valid at the place of fulfilment shall also apply. Application of the Uniform Law on the International Sale of Movable Goods shall be excluded.

### 16. Place of fulfilment and jurisdiction

The place of fulfilment for deliveries is the destination point for payments, Knesebeck. Provided that the supplier is a merchant, the place of exclusive jurisdiction is the court with responsibility for Knesebeck. However, we are also entitled to sue the supplier before his local court.