

## Conditions of Purchase

### 1. Applicability of the Conditions

- (1) Our conditions of purchase also apply in the case of ongoing business relationships to future transactions in which they are not expressly referred to insofar as they have been received by the supplier in the past.
- (2) The conditions of purchase are solely applicable. We do not recognize contradictory conditions or those that deviate from our conditions of purchase of the supplier even with acceptance of the performances without reservation.
- (3) Orders are only legally valid if they have been issued by us in writing unless the supplier expressly waives a written order. Orders and changes issued orally are only valid if they are confirmed in writing. In individual cases a written confirmation can be waived.

### 2. Conclusion of the Contract and Confidentiality

- (1) The supplier is obligated to accept our order within a period of 3 workdays.
- (2) The deployment of third parties (especially subcontractors) for the fulfillment of the contract requires our prior approval. Should the supplier intend deploying third parties for the purpose of the fulfillment of the contract from the beginning, then the supplier is to already state this in its offer.
- (3) We retain ownership rights, industrial property rights, and copyrights to depictions, designs, calculations, and other documents, samples, models, and the like. They are subject to strict confidentiality and may not be made available to third parties without our express written agreement. This also applies after processing of this contract insofar as the production knowledge contained therein has not become generally known.
- (4) After completion of the order or inquiry, the documents named in 2 are to be returned without delay upon request at the expense of the supplier.

### 3. Adherence to the German Minimum Wage Act by the Supplier; Provision of Security; Contractual penalty; Exceptional Right of Termination

- (1) The supplier obligates himself to always paying his employees at least the statutory stipulated minimum wage stated in Sect. 1 of the German Minimum Wage Act (MiLoG) on the date due in addition to him also observing the other obligations specified in the German Minimum Wage Act.
- (2) The supplier has a duty to also paying subcontractors it commissions in the scope of the contractual relationship entered into with us, the statutory stipulated minimum wage in addition to it also contractually obligating its subcontractors accordingly; this also has validity for personnel leasing companies commissioned by the supplier.



- (3) The supplier assumes all costs incurred by us due to claims being asserted by us pursuant to Sect. 13 MiLoG on the grounds of an infringement of the MiLoG by the supplier, its subcontractor or a personnel leasing company commissioned by it.  
In order to secure our claims, the supplier has an obligation to issuing us with security at any time upon demand, such being for a reasonable amount and in the form of an irrevocable and - irrespective of the written payment demand in agreement with the corresponding guarantee - unconditional directly enforceable guarantee upon first request that is issued by a credit institute that is licensed in Germany for the conducting of such business. The supplier is to bear the costs of the guarantee.
- (4) The supplier is to pay us a contractual penalty of 500 EUR for each case of a culpable contravention being committed against its obligations described herein. The assertion of claims for compensation over and above the foregoing remains unaffected.
- (5) We are entitled to terminate the contract extraordinarily and without notice, should it be determined that the supplier does not pay his employees the statutory minimum wage or should he not do so by the statutory date due at the latest. This also has validity should it be determined that the supplier deploys a subcontractor that does not pay its employees the statutory minimum wage or should it not do so by the date due or should the supplier deploy leased personnel that are not paid the statutory minimum wage by the personnel leasing company or should the same not be paid by the date due. We are also entitled to terminated the contract extraordinarily should the supplier, its subcontractor or a personnel leasing company commissioned by the supplier, not meet its other obligations from the German Minimum Wage Act or the obligations specified in this agreement. In all of the above cases, an extraordinary termination is permissible without a prior warning having been issued.

#### **4. Prices and Conditions of Payment**

- (1) The price listed in the order is binding. The price includes delivery “free to buyer’s address” including normal packaging. The return of the packaging requires a separate agreement.
- (2) The statutory value-added tax is not included in the price.
- (3) The supplier is obligated to indicate the delivery date and the order and item numbers listed in our order corresponding to the requirements there on all invoices.
- (4) We pay the purchase price within 14 workdays, calculated from the day of delivery and receipt of the invoice with deduction of a 3% trade discount or within 30 workdays of delivery and receipt of invoice net unless something else is agreed.  
Should the goods arrive later than the invoice, the day of receipt of the goods by us is authoritative for calculation of the trade discount period.

#### **5. Delivery and Acceptance**

- (1) The delivery period listed in the order is binding. Delivery periods run from the order date.
- (2) Indicated delivery amounts are to be adhered to exactly. Underdeliveries and/or overdeliveries are only allowed with our express agreement.



- (3) The supplier is obligated to inform us without delay in writing if it becomes aware of circumstances from which it arises that the agreed delivery period cannot be adhered to.
- (4) In the event of delivery arrears, we are entitled to charge lump sum damages caused by delay in the amount of 1% of the delivery value per full week, but no more than 5%. Additional statutory claims remain reserved. The supplier has the right to prove to us that significantly lower or no damages arose on account of the arrears.
- (5) The supplier is obligated to list our exact order number and item number on all shipping papers and delivery slips.

## **6. Place of Performance and Transfer of Risk**

- (1) The place of performance is our domicile.
- (2) The delivery is to occur "free to buyer's address".

## **7. Defects of Quality and Title**

- (1) We are to inspect the goods for defects of quality within a reasonable period after they have arrived at the destination. The kind and manner of incoming goods inspection is pursuant to our judgement. In the case of mass produced parts pursuant to the random sample process. Insofar as we ship or forward the goods in normal business operations and report this to the supplier in a timely manner, the period for inspection and notice of defects is prolonged in the corresponding manner.
- (2) The supplier is liable for defects of quality in the scope of numbers 3 and 4 regardless of culpability.
- (3) If the goods show a defect of quality at the time of transfer of risk, then we can demand supplementary performance or a reduction of price. The supplementary performance shall occur according to our choice by means of rectification of defects or replacement delivery. The expenses for this shall be borne by the supplier.
- (4) If the supplier has attempted two supplementary performances without success, unjustly refuses supplementary performance, or lets a reasonable grace period expire, then we can rectify the defect ourselves and demand reimbursement for the necessary expenses.
- (5) The statutory rights of withdrawal, the right to damages, in particular to damages instead of performance, and the rights of recourse pursuant to Sections 478, 479 of the German Civil Code (BGB) remain reserved for us.  
The supplier is liable for defects of title regardless of culpability.

## **8. Industrial Property Rights**

- (1) The supplier is responsible for ensuring that no patent or other industrial property rights of third parties are infringed by its delivery and the foreseeable use thereof by us.

- (2) Should claims be made against us by third parties on account of such an infringement of industrial property rights, the supplier shall release us from these claims upon first written request and reimburse all expenses arising for us on account of the claims.
- (3) The above conditions do not apply insofar as the supplier produced the delivered goods pursuant to documents, samples, models, or similar specifications provided by us and does not know and does not have to know that industrial property rights are thereby infringed.

## **9. General Liability**

- (1) Insofar as the supplier is responsible for product damages, it is obligated to release us from the claims for damages of third parties upon first request insofar as the cause is in its area of control and organisational sphere and it is liable in the exterior relationship.
- (2) Insofar as product recall measures are necessary on account of such a product, the supplier is obligated within the same limits to reimburse the expenses necessary for this purpose.
- (3) Other claims for our part remain unaffected.
- (4) The supplier obligates itself to present us with product liability insurance with an appropriate sum insured and prove this upon request.

## **10. Retention of Title**

- (1) Provided material remains our property. It is to be stored separately as such and may only be used for our orders.
- (2) Processing or transformation by the supplier is done for us. In the event of connection to or mixing with items that do not belong to us, we acquire co-ownership of the new item in the ratio of the value of our item to the others at this time. In the event that the item of the supplier is to be considered the main item, it obligates us to transfer proportionate co-ownership to us.
- (3) We retain ownership of tools provided or financed by us. The supplier is obligated to use the tools solely for the production or processing of goods ordered by us. It is obligated to insure at new value and maintain tools that belong to us at its own expense.

## **11. General and Validity**

- (1) The rights of the supplier from this contract are not transferable. The invalidity of individual provisions shall not affect the validity of the others.
- (2) If the supplier is a business person, the legal venue for all disputes with it is our domicile. The legal venue is not exclusive.  
German law is solely applicable to the exclusion of the CISG.

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