

## **General Conditions of Purchase**

### **1. General**

- 1.1 Our orders are placed exclusively on the basis of our General Conditions of Purchase.
- 1.2 No supplementary, conflicting or different terms and conditions of the supplier will be recognised. By accepting the order, the supplier declares that he agrees to our Conditions of Purchase. Our conditions also apply if the supplier confirms the order in a different way, even if we do not expressly contradict this.
- 1.3 Orders placed orally or by telephone only become legally binding when our written order is issued.
- 1.4 Business mail printed out by data processing equipment (e.g. orders, invoices, statements of accounts) is legally binding even without a signature.
- 1.5 We would point out to our suppliers that we process and pass on your personal data by means of electronic data processing for business purposes exclusively in accordance with the provisions of German data protection law.

### **2. Conclusion of contracts**

- 2.1 Agreements, orders and call-offs, as well as modifications and supplements to these, are effected in text form or by data transmission. An order is considered to be accepted if the supplier does not object to it within 5 working days from the date of the order.
- 2.2 Orders placed orally or by telephone require our subsequent confirmation in text form. The same applies for any oral subsidiary agreements and modifications to contracts.
- 2.3 We may request changes to the item to be delivered or to the agreed service even after conclusion of the contract, in so far as this is reasonable for the supplier. In case of such changes, the effects for both sides and in particular any plus or minus costs as well as delivery deadlines are to be adapted appropriately.

### **3. Delivery**

- 3.1 Deliveries are to be made free to the point of receipt or the shipping address mentioned in our order. The transport risk is borne by the supplier.
- 3.2 Each delivery is to be accompanied by a delivery note capable of being checked. In addition, in case of drop deliveries a detailed notice of dispatch or a copy of the delivery note is to be sent to us in good time. Delivery note and notice of dispatch should not contain any price setting data.

### **4. Delivery time**

- 4.1 The agreed delivery deadlines and delivery periods are binding. Nevertheless, any delivery delays which may occur are to be notified to us without delay as soon as they are recognised. Failure to observe agreed delivery periods and delivery deadlines entitles us to demand compensation and, after a period of grace, to withdraw from the contract.
- 4.2 In the event of late delivery we are entitled to charge a contractual penalty amounting to 0.2 % of the net goods value of the delayed delivery per working day, but with a maximum of 5 % of the value of the goods. More far-reaching claims for damages remain unaffected by this.
- 4.3 The unconditional acceptance of a delayed delivery or service does not equate to any renunciation of the claims to which we are entitled on account of the delayed delivery or service; this applies until full payment of the amount owed by us.
- 4.4 We are not obliged to accept part or multiple deliveries which have not been expressly agreed. This applies accordingly if goods are delivered before the agreed delivery deadline. If applicable we are entitled to send the goods back or have them stored on third-party premises at the costs and risk of the supplier.

### **5. Payment**

- 5.1 Unless agreed otherwise, payment is made within 14 days as from delivery/service and receipt of invoice minus a 3 % discount or within 30 days without deduction.

### **6. Invoices**

- 6.1 All invoices are to be submitted to us in duplicate separately for each order, stating our order number. Invoices are not considered as constituting order confirmations.

### **7. Assignment, offsetting**

An assignment of purchase price claims by the supplier requires our prior written agreement. This does not apply to cessions to a credit institute for securing business loans or to agreeing an extended reservation of title.

We are entitled to rights of offsetting and retention within the scope of the law. Otherwise the supplier may only offset counterclaims which are uncontested or have been legally established. The supplier is only entitled to rights of offsetting and retention in so far as they relate to the same legal transaction.

### **8. Rights of reservation of title and other security rights**

Title to the goods must be transferred to us unconditionally and regardless of whether the purchase price has been paid. However if in an individual case we accept an offer by the supplier which is conditional upon payment of the purchase price for the transfer of title, the supplier's reservation of title expires at the latest with the payment of the purchase price for the goods delivered. In the proper course of business and even before payment of the purchase price we remain entitled to resell the goods under assignment in advance of the demand arising from this (alternative validity of simple reservation of title extended to the resale). In all cases this excludes all other forms of reservation of title, in particular extended or transferred reservation of title and reservation of title extended to further processing.

The processing, mixing or combining (further processing) of items made available will be done by the supplier for us. The same applies to the further processing of the delivered goods by us, so that we are considered to be the manufacturer and acquire ownership of the product at the latest with this further processing in accordance with legal provisions.

### **9. Liability**

Unless ruled otherwise in these conditions, the provisions of the law apply for claims for damages. This applies to both contractual and non-contractual claims and liability for representatives and agents.

## 10. Material defects

10.1 Agreed quality within the meaning of § 434 paragraph 1 sentence 1 of the German Civil Code means that the supplies and services provided by the supplier correspond to the state of the art and to legal provisions (e.g. industrial safety and environmental protection). The supplier shall further ensure the quality of the material used, the professional construction and design of the goods supplied by him and the execution of the specified or agreed services.

10.2 In cases of urgency or if the supplier does not immediately fulfil his warranty obligations according to our request in this respect, we are entitled to have the defective parts rectified or replaced at his cost and any resulting damages made good. Advance payment?

10.3 Claims for defects expire in 66 months as from the date of delivery, in so far as the supplies and services are used for construction work. Otherwise claims for defects expire in 36 months as from the date of delivery. If an acceptance procedure is agreed for services, then the date of acceptance applies instead of the delivery date.

10.4 Within the meaning of § 377 of the German Commercial Code, claims for defects are considered to have been made in good time if apparent defects are notified to the supplier within 3 weeks after assembly or processing of the goods and concealed defects within 3 weeks after their discovery.

10.5 Notwithstanding § 442 paragraph 1 p. 2 of the German Civil Code, we are also entitled to unrestricted warranty claims if the defect remained unknown to us at the time of concluding the contract as a result of gross negligence.

10.6 The costs incurred for the purpose of checking and rectification by the supplier (including any costs of installation and removal) are borne by this latter even if it turns out that no defect actually existed. Our liability for damages in case of unjustified demands for the rectification of defects remains unaffected. However, we are only liable in so far as we knew that no defect existed or did not know this through gross negligence.

10.7 If the supplier does not meet his rectification obligation within an appropriate period set by us, or if he finally refuses to rectify a defect before the expiry of this period, then we may rectify the defect ourselves and demand reimbursement of the necessary expenses, unless the supplier has legitimately refused rectification. We are entitled to demand an appropriate advance payment for this. If the rectification by the supplier fails or is unacceptable for us (e.g. because of particular urgency, a risk to operational safety or the impending occurrence of disproportionate damage) no period needs to be set. We will inform the supplier of such circumstances without delay.

## 11. Defects of title

11.1 The supplier is liable for all damages and detriments which may arise for us on account of the infringement of third-party property rights as a result of the further processing, reselling, use or installation of the goods supplied.

11.2 Claims on account of defects of title expire in 30 years as from the date of delivery or acceptance.

## 12. Export control, REACH

12.1 The supplier is obliged to inform us of any approval obligations or restrictions for the (re-)exporting of his goods in accordance with German, European or US export and customs regulations as well as the export and customs regulations of the country of origin of his goods in his business documents and, for goods requiring approval, to send us the following information in good time before the first delivery:

- a description of the goods
- All applicable export list numbers including the export control classification number according to the U.S. Commerce Control List (ECCN),
- the trade-policy place of origin of the goods,
- the statistical goods number (HS code),
- a contact within his company for clarification of any queries.

12.2 The supplier is obliged to inform us immediately of any changes in the approval obligations for his goods being delivered to us on the basis of technical or legal changes or official determinations.

12.3 We are regularly "downstream users" for the purposes of the REACH regulations. The supplier is obliged to register all substances supplied to us which are subject to the REACH registration obligation himself or have them pre-registered by previous suppliers. Proof of registration is to be submitted to us in writing on request.

12.4 Our supplier ensures that no products are delivered whose source materials come from a conflict region, in which the production contributes to the financing or support of criminal groups. The same applies to products delivered by persons, groups and organizations, which are listed on embargo and sanction lists.

## 13. Compliance

13.1 In his business relations with us, the supplier undertakes not to offer or grant, nor to request or accept, any advantages in violation of applicable anti-corruption provisions, either in business transactions or in dealings with officials.

13.2 In his business relations with us, the supplier undertakes not to enter into any agreements or concerted practices with other companies which have as their object or effect the prevention, restriction or distortion of competition according to applicable antitrust regulations.

13.3 The supplier undertakes to comply with the laws applicable in each case governing the general minimum wage and to impose this to a similar extent on subcontractors commissioned by him. On request the supplier will provide proof of observance of the above undertaking. In the event of infringement of the above undertaking, the supplier will exempt us from any third-party claims and is obliged to reimburse any penalty fees which may be imposed on us in this connection.

13.4 The supplier will comply with the relevant legal provisions regarding the treatment of employees, environmental protection and industrial safety and work to ensure that adverse effects on people and the environment produced by his activities are minimised.

13.5 If there is any suspicion of a contravention of the obligations in paragraphs 1 to 4 the supplier must explain possible contraventions without delay and inform us of the awareness-raising measures taken. If the suspicion proves to be well-founded, the supplier must inform us within an appropriate period of the internal measures which his company has taken in order to prevent future contraventions. If the supplier does not fulfil these obligations within an appropriate period, we reserve the right to withdraw from contracts with him or to cancel these with immediate effect.

13.6 In case of more serious contraventions of the law by the supplier and in case of contraventions of the obligations in paragraphs 1 to 4 we reserve the right to withdraw from existing contracts or to cancel these without notice.

## 14. Product liability

14.1 In the event that we are held liable in the context of product liability, the supplier is obliged to release us from claims of this kind at first request, in so far as the damage has been caused by a defect in the contractual item supplied by the supplier and – in cases of fault-based liability – if the supplier is at fault. In so far as the cause of the damage lies within the area of responsibility of the supplier, he bears the burden of proof in this respect.

14.2 In these cases the supplier will bear all costs and expenses, including the costs of any legal proceedings or recall action. Otherwise legal provisions apply.

#### **15. Drawings, models, tools**

15.1 Drawings, models, tools etc. which we let the supplier have for the production of the goods to be supplied to us may not be used for other purposes, reproduced or ceded to third parties; they remain our property and are to be returned to us after completion of the order.

15.2 Products which have been produced according to documents drawn up by us or according to our information or with our tools or copies of our tools may be neither used by the supplier himself nor offered or supplied to third parties.

15.3 Tools which have been loaned to the supplier by us will be handled and stored with care by the supplier and kept in a serviceable condition according to the most recent drawing specifications. The supplier will keep the tools safe from fire, theft and other damage at his own cost.

#### **16. Place of completion, legal venue and applicable law**

16.1 The place of completion for the supply and service is the point of receipt or the place of use stated by us.

16.2 If the supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the legal venue for all disputes arising out of or in connection with these conditions is Wetzlar. We are however entitled to take legal action at the place of completion or at the supplier's place of domicile.

Wetzlar, July 2019

vR production (DUKTUS) gmbh