

I. Applicable Terms, Orders, Quotes

1. The terms and conditions outlined here always apply to our orders. Contradictory or conflicting delivery terms are legally invalid even if we do not explicitly state our opposition. By accepting the order and/or the delivery, the supplier or vendor* agrees with our terms and conditions.
2. Delivery contracts (orders, acceptance/goods receipt and delivery schedules) as well as changes, supplements, or other subsidiary agreements have to be in writing to take effect.
3. Our orders have to be confirmed by the supplier in writing within 8 days by indicating our transaction reference number. We have the right to withdraw from the order if a confirmation is not received in time or not at all. The confirmation has to list the earliest and the latest binding date of delivery. The order is considered as having been accepted if the supplier does not prepare a statement in writing within 8 days. The supplier has to point out explicitly any deviations from the order.
4. Quotes of the supplier are nonbinding and do not represent any type of obligation on our part.
5. Within the scope of reasonableness for the supplier, we are entitled to demand changes of the delivery item concerning construction and design. Any associated costs, especially cost underruns or overruns, as well as delivery schedules and dates have to be adjusted accordingly.
6. The supplier is not authorized to transfer our orders to third parties unless specially authorized by us in writing. In case of noncompliance, we are authorized to withdraw from the contract either in part or as a whole and demand compensation.

* Supplier and vendor are synonymous terms, this document uses supplier

II Delivery, Packaging

1. Unless otherwise agreed in writing, delivery is free ex works including packaging and insurance to an address within Germany specified by us.
2. In case of deliveries after the delivery deadline, we are entitled to determine a suitable type of shipping; any resulting higher transport costs are the responsibility of the supplier.

III Delivery Dates and Deadlines, Delivery Delay

1. Agreed schedules and deadlines are binding. Changes are possible if mutually agreeable and as long as our operational concerns are adequately considered. Acceptance of the goods by our goods receipt department determination whether the delivery deadline was complied with. If free delivery ex works is not agreed, the supplier has to notify us via fax of the availability of the goods no later than 2 days before the delivery deadline expires and make the goods available in a timely manner while considering the usual time for loading and shipping.
2. If a delivery delay is caused by the supplier as outlined by the terms in §§ 281 para. II, 286 BGB (German Civil Code), the supplier has to reimburse us for any damages caused by the delay. We are entitled to withdraw from the contract and/or demand compensation in lieu of the delivery of the goods or services after a delivery date extension has been granted and if the delivery has not been received after the extension has expired. Setting a deadline is not mandatory, i.e. we are entitled to withdraw from the contract if the supplier does not provide the goods or services as and when specified in the contract and if we have tied the continuance of our interest in receiving the goods to the timeliness of the delivery of the goods or services or if special circumstances exist that justify immediate withdrawal or

cancellation after weighing the interests of both parties. Without deadline, we are also entitled to demand compensation if the supplier earnestly and decidedly refuses to provide the goods or services or if special circumstances exist that justify an immediate demand for compensation after weighing the interests of both parties.

3. Underdeliveries or overdeliveries have to be expressively approved by us.

IV. Force Majeure

1. Force majeure and other unpredictable, unforeseen, unavoidable, grave events release the contract partners from their obligation to provide services or goods for the duration of the problem and within the scope of their impact. The contract partners are obligated, within the scope of reasonableness, to immediately provide the necessary information and to adjust their obligations to comply with the changed circumstances as best as possible and with good faith.

2. Delivery delays by subsuppliers are not considered force majeure unless the subsuppliers themselves are affected by force majeure and other unforeseeable events and thus prevented from a timely delivery.

3. The supplier has to provide suitable corrosion protection and select suitable packaging materials to ensure that the goods arrive without surface damage.

V. Invoice, Payment

1. The invoice has to list our transaction reference number, number and date of the order or the purchasing agreement or scheduled delivery, additional data of the ordering party (account assignment), as well as the quantity of the invoiced goods.

The invoice has to be in reference to the delivery note.

2. Invoices are due and payable within 60 days after the goods receipt and after receiving a proper invoice unless otherwise agreed in writing.

We are entitled to apply a 3% cash discount if paying within 30 days. Contrary individual agreements supersede this arrangement.

3. If deliveries are accepted that are too early, the due date of the payment is based on the agreed delivery date.

4. With the exception of an extended retention of ownership, the supplier is not authorized to cede or assign demands against us to third parties or to allow third parties to collect on such receivable or demands without prior written approval by us.

VI. Quality Assurance, Documentation, Goods Issue and Goods Receipt Inspections, Complaints, Delivery Acceptance

1. Any quality assurance agreement entered into with the supplier has priority.

2. The supplier is obligated to inspect his or her goods based on the latest technology to ensure a consistent level and degree of quality and safety. The supplier has to carry out goods issue inspections.

3. The supplier has to provide suitable corrosion protection and select suitable packaging materials to ensure that the goods arrive without surface damage.

4. We are only obligated to perform sampling inspections on goods received per delivery. We have to notify the supplier immediately of any defects or nonconformities as they are

detected within the scope of our normal business operations in our company. The supplier thus waives any rights for claiming a delayed and thus inapplicable defect notice or complaint.

5. We have the right to refuse acceptance of the delivery if proper shipping documents are not available to us on the day of the delivery or if our order reference number is incomplete or missing entirely on the shipping documents without this resulting in an acceptance or receipt delay for us; the same applies if the execution does not meet our order terms in all areas or specifications. The supplier is responsible for any associated costs that are incurred in this connection.

6. The supplier has to comply with the generally applicable rules of technology, especially the safety rules and the agreed on technical data and standards. Changes of the delivery items or delivery object require prior approval by us.

7. If scope and type of the inspections as well as the inspection equipment and methods have not been permanently agreed between the supplier and us, we are willing to discuss the required inspections with the supplier within the scope of our knowledge, experiences, and possibilities if requested to do so by the supplier.

8. The supplier has to use separate documentation to document when, how, and who inspected the delivery items or objects based on the mandatory documentation attributes and what the results of the required quality tests were. The inspection documentation has to be archived for 11 years and has to be made available for viewing if requested by us. The supplier has to ensure compliance of prior suppliers or vendors within the scope of legal feasibility.

9. Insofar as institutions, associations, etc. demand access to our production processes and inspection documentation as necessary for (re-)inspection of certain requirements, the supplier agrees to grant the same rights at his or her facilities and to provide any help and support that is reasonable.

VII. Liability for Material/Property and Title/Ownership Defects

1. The supplier is obligated to provide ownership and title of the goods free of any liabilities or defects.

2. A material/property defect exists especially if the goods do not exhibit the agreed on attributes or properties when transferring the risk and/or is unsuitable for the application or utilization defined in the contract and/or does not have the state, quality, condition and/or applicability for the usual duration.

3. In case of material/property and title or ownership defects, our claims and rights are based on the currently valid version (since 1 January 2002) of the German Civil Code (BGB). The supplier has to release us from any and all damages and expenditures or expenses that are incurred by us or apply to us/or our clients due to a defect of the delivered goods.

4. If goods defects are detected at the start of production (processing or assembly), we will provide the supplier with the opportunity to sort out the defective goods and to replace them (rectification/rework or subsequent delivery) insofar as reasonable for us.

If the defect is detected after production, the previous rule applies and we are entitled to demand compensation for any provable additional expenses as well, e.g. for processed parts.

If the supplier does not immediately fulfill his or her warranty duties, we are entitled to carry out the rectification ourselves or commission a third party to do so, with the rectification costs

being the responsibility of the supplier, or to demand compensation due to non-fulfillment after granting a rectification deadline with the refusal of accepting performance.

VIII. Statutory Period of Limitation

Our claims from material/property and title or ownership defects as well as other breaches of duty of the supplier become null and void after the period of limitation outlined by the German Civil Code (BGB) and the German Commercial Code (HGB).

IX. Insurance

The supplier is obligated to sufficiently insure against all risks due to an incomplete and/or defective delivery within the scope of and pursuant to the possibilities of insurance law and to provide us with the respective evidentiary documentation.

X. Other Liability, Release, and Compensation Claims, Product Liability

1. If we are called upon by our customers or other third parties due to a product defect or other defect and expenditures or expenses, the supplier has to release us from these claims and reimburse us for our damages and our expenses insofar as the damage is caused in part or entirely by or originating with the product or other performance of the supplier or insofar as the cause of damages falls within the scope of responsibility of the supplier.
2. If we or our customers or other third parties have to carry out measures to defend against losses and damages or damage reduction measures (sue and labor) such as recall campaigns, for example, due to defects or nonconformity of the delivered goods or other services or performances of the supplier, the supplier is liable for the associated incurred costs and expenditures, from which he has to exempt us or for which he has to reimburse us.
3. The liability of the supplier according to national and international product liability rules and regulations or laws remains intact and exists in addition to the liability stated above. The supplier is obligated to archive for 11 years all construction and production documentation concerning the delivered goods and to make these documentations available to us when requested to do so.

XI. Property Rights

1. The supplier is liable for claims resulting from the use of the delivery items or objects in accordance with the contract due to violations of copyright laws, property rights, and patents in connection with the delivered product. The supplier releases us and our customers from any and all claims resulting from the use of such copyrights.
2. This does not apply insofar as the supplier has produced the goods or items based on drawing, models, or other descriptions and information provided by us and if the supplier does not know or cannot know that he or she is violating copyright or industrial property rights in conjunction with the use of the goods or products developed by the supplier.

XII. Confidentiality, Drawings, Models, Equipment

1. The contract partners agree to treat as business secrets any and all not overt commercial, business, and technical information and details that become known within the scope of the business relationship.
2. Drawings, models, and samples or similar documentation or materials made available by us to fulfill the contract remain our property. They may not be made available to third parties in any way, shape or form including advertising purposes.
After the contract has been fulfilled, they have to be returned unasked unless something different is explicitly agreed.
The supplier is especially liable for loss, damage, improper use, etc.
3. Subsuppliers have to be placed under the same obligation.
4. Our existing business relationship may not be referenced or mentioned in informational or advertising materials without prior explicit and written authorization.

XIII. Retention of Title/Ownership

Our material provided to the supplier for reworking and/or further processing remains our property. In case of seizures or other encroachments by or of third parties, our supplier has to inform us immediately in writing.

The processing or reshaping of the proviso goods or objects is carried out for us by the supplier. If the proviso goods or objects are processed or inextricably mixed or combined with items or objects that do not belong to us, we acquire co-ownership in the new object in accordance with the ratio of the values. If the other object is considered the primary object, it is agreed that the supplier transfers to us proportionate co-ownership.

XIV. Place of Fulfillment, Jurisdiction, Applicable Law

1. Finentrop is the place of fulfillment for delivery and payment.
2. The court responsible for our headquarters is the place of jurisdiction for contracts with business people and legal entities.
3. With the exception of the United Nations Convention on Contracts for the International Sale of Goods, German law applies to all orders, deliveries, goods, services, and performances.

XV. General Rules, Severability Clause

1. If one contract partner discontinues payments or if insolvency proceedings concerning his or her assets or if court-ordered or extrajudicial reorganization proceedings have been requested or initiated and if the proceedings are not averted within 3 months, the other contract partner is entitled to withdraw from the non-fulfilled part of the contract.
2. The validity of the remaining contract clauses remains intact if one clause or statement of the contract should become or is inoperative. Both contract parties agree to replace inoperative or invalid clauses and statements with those that approximate the economic purpose of this contract as closely as possible.

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