

**Section 1 General, scope**

1. Our conditions of purchase shall apply exclusively unless we have acknowledged divergent terms or the supplier's terms in writing. They shall also apply even if we accept a consignment without reservation in full knowledge of the fact that the supplier's terms are contradictory to or diverge from our conditions of purchase. The present conditions of purchase shall also apply for all future business with the supplier without requiring further reference to these conditions.
2. If individual terms prove invalid, this shall not affect the validity of the remainder.
3. Rights and duties, arising from the business relations with us and entire sales orders may not be assigned to third parties without our written consent.
4. We are certified in accordance with ISO/TS 16949.
5. We are also certified in accordance with DIN EN ISO 14001 and OHSAS 18001. Employees of suppliers working on our premises must be qualified in accordance with these standards. Appropriate proof shall be submitted on demand. A date shall be agreed with our coordinator so that the workers can be instructed before the work starts. External contractors' guidelines applicable to us shall also be observed by suppliers and corresponding permits obtained from us.

**Section 2 Enquiries and quotations**

Our enquiries shall be without obligation. Suppliers shall prepare their quotations in accordance with our enquiries and shall explicitly draw attention to any discrepancies. Suppliers' quotations shall be made without obligation for us and free of charge. Visits and the compilation of drawings, diagrams, etc. shall only be remunerated by prior written agreement.

**Section 3 Purchase orders**

1. Only purchase orders which have been placed by us in writing or confirmed to us in writing shall be binding. We reserve the right to withdraw purchase orders which have not been confirmed by the supplier in writing within 14 days, without prejudice to us. Supplements or subsequent agreements shall only be valid if confirmed by us in writing. All correspondence shall be conducted exclusively with our purchasing department.
2. The price specified in the purchase order is binding as a fixed price and does not include value-added tax at the statutory rate.

**Section 4 Delivery periods**

1. The deadlines and periods specified in the purchase order shall be binding. Compliance with the delivery date or delivery period shall be determined by the date on which we receive the goods and punctual final acceptance. If the supplier realizes that the agreed dates cannot be met, he shall inform us accordingly in writing with indication of the reasons and the duration of the delay.
2. We shall be entitled to exercise our statutory rights if the supplier defaults on delivery. We are particularly entitled to claim damages instead of performance and to withdraw from the contract after expiry of a reasonable deadline set by us. If we claim damages, the supplier has the right to prove that he is not responsible for any violation of his duties. Acceptance of any delayed supply or service shall not be deemed a waiver of any claims.
3. If the goods are delivered before the agreed date, we reserve the right to specify the value date of the invoice or to return the goods at the supplier's expense. If goods which have been delivered prematurely are not sent back, they shall be stored by us at the supplier's risk and expense until the agreed delivery date.

**Section 5 Force majeure**

In the event of force majeure (e.g. natural catastrophes, war, civil commotion, intervention by higher authorities, energy shortages, labour disputes), we may either rescind all or part of the contract or demand delivery or performance at a later date, at our discretion and without the supplier acquiring any rights in consequence. If such circumstances prevent us from accepting the delivery or performance, this shall not constitute any default in acceptance or debtor's delay.

**Section 6 Delivered quantity, freight, packaging**

1. The supplier shall deliver precisely the quantity stated in the purchase orders. Excess or short quantities shall not be delivered without our consent. Goods shall in all cases be accepted subject to inspection with regard to quality, nature and quantity.
2. Calculation shall be based on the quantities determined by us. An official weight certificate shall be enclosed with the delivery note for bulk deliveries by tanker trucks.

3. Unless otherwise agreed in writing, all deliveries shall be made free of charge for freight, packaging and other expenses: DDP, respectively DAP Düren in accordance with Incoterms 2010. If a price based on FCA/FOB in accordance with Incoterms 2010, or corresponding conditions, has been agreed upon in exceptional cases, we shall only bear the lower freight charges. The agreed price base shall have no effect on the agreed place of performance.
4. Return of packaging must be agreed upon in particular.

### **Section 7 Delivery note, invoice, payment**

1. Goods shall be delivered with a delivery note specifying our purchase order number, the item number, article designation, article number and quantity. Delivery shall not have been effected correctly if these particulars or the delivery note are missing.
2. Each consignment shall be invoiced immediately upon dispatch, with specification of the complete purchase order number, and sent to our address in duplicate.
3. The period for payment shall commence with receipt of the consignment and the invoice. Payments shall be remitted on the 08th and 23rd days of each month, or on the next following working day if these are not working days. Our payments shall be effected as follows using the means of payment of our choice:

Payment in 30 days with deduction of 3% or 90 days net according to the remitted payment days.

4. Payment shall be deemed to have been effected when the bank giro transfer order is presented. It shall not constitute any form of approval for defects. If the goods are delivered prematurely, the originally agreed delivery date shall apply instead of the date of receipt of the delivery.
5. We reserve the right to set off and withhold payments as permitted by law.

### **Section 8 Downpayment guarantees**

Down payment guarantees given to us shall be absolute and unlimited and shall waive the defence of setoff, the defence of preliminary proceedings against the principal debtor and the defence of avoidance. They shall not contain any deposit clauses. We shall only accept guarantees which do not leave any doubts as to the solvency of the guarantor and provide for payment at the first written request by us. In the case of deliveries / performances subject to turnover tax, the guarantee shall be made out for the required gross value (including value-added tax).

### **Section 9 Inspection, liability for defects**

1. The supplier is aware and acknowledges that we shall not perform any incoming inspection other than statistical verification of the quality and quantity of the goods. The supplier shall waive all rights obliging us to undertake any other or more far-reaching inspections, as well as the defence that we have failed to discharge our statutory obligations in respect of examination and inspection in good time. If the statistical quality inspection reveals that the delivered goods are not free of defects, we shall be entitled to return the complete consignment. Defects not found during the statistical quality inspection shall be deemed hidden defects; in this respect, the supplier shall waive the defence that notice of defects was not given in good time.
2. Our deadline for giving notice of defects shall be five working days following receipt of the delivery or of discovering the defect (in the case of hidden defects).
3. The supplier shall be liable for his delivery or performance complying with the specifications, drawings, samples and/or descriptions, i.e. is of the contractually agreed nature and quantity, and also that it reflects the state of the art, that it is fully serviceable, perfect and without defects. Machines and equipment must be produced in compliance with the safety requirements and other requirements as set out in particular in the legal provisions particularly the Directives on Machine-, Equipment-, and Product- Safety and the Ordinance on Safety and Health and must comply with all requirements regarding their placement in the market. The CE marking (including documentation) and manufacturer's declarations, risk assessment and declaration of conformity shall be provided in German and in any language of a country of operation as specified by us.
4. The supplier shall be obliged to execute his sales order in such a way as to ensure compliance with the law on technical equipment, the applicable regulations on accident prevention and occupational safety, as well as the generally acknowledged rules of safety engineering and labour medicine valid in the Federal Republic of Germany. Non-compliance with this requirement shall mean that the delivery or performance has not been effected correctly.
5. We shall be entitled to assert the statutory rights regarding defects without restriction; in any case we are entitled to claim from the supplier the removal of defects or delivery of another good at our discretion. The right to claim damages, namely the right to claim damages instead of performance, remains untouched...
6. Defects shall be removed without delay. In urgent cases and in the case of the supplier's default of performance, we shall be entitled to procure the necessary replacement material ourselves at the supplier's expense or to make repairs to the damaged or defective goods at the supplier's expense.

7. Goods for which we have filed a complaint may either be retained by us or returned to the supplier at the latter's risk and expense in return for credit.
8. Unless explicitly agreed otherwise, the period of limitation for defects shall be 36 months. Unless otherwise agreed, a period of limitation of five years shall apply for all work on or associated with buildings.

### **Section 10 Industrial property rights**

1. The supplier warrants that third-party rights are not violated in conjunction with his delivery.
2. If a third party asserts claims against us in this context, the supplier shall be obliged to exempt us from such claims at our first written request; we shall not be entitled to reach any agreements with the third party – without the supplier's consent – particularly as regards agreement of a settlement.
3. The supplier's exemption obligation shall apply to all necessary expenses which may be incurred by us as a result of or in conjunction with claims by third parties.
4. The limitation period shall be 36 months beginning with passing of risk. .

### **Section 11 Product liability, exemption, third-party liability insurance**

1. Insofar as the supplier is responsible for a product loss, he shall be obliged to exempt us from third-party claims for damages at our first request to the extent that the cause of the loss is located within the supplier's sphere of control and organization and he is liable in external relations.
2. Within the framework of the supplier's liability for losses pursuant to para. 1, above, the supplier shall also be obliged to reimburse any expenses in accordance with Sections 683 and 670 of the German Civil Code (BGB), as well as Sections 830, 840 and 426 of the German Civil Code (BGB) incurred as a result of or in conjunction with our calling back of products. Where possible and reasonable, we shall inform the supplier of the nature and scope of the necessary call-back activities and shall grant him an opportunity to state his case. Other statutory rights shall remain unaffected.
3. The supplier undertakes to maintain product liability insurance with a – flat-rate – sum insured of 10 million euros per case of physical injury/property loss; any further rights to damages to which we may be entitled shall remain unaffected.

### **Section 12 Secrecy**

1. The supplier undertakes to treat the purchase order in confidence and only to draw attention to the business relationship in reference lists, for example, with our prior written consent.
2. The supplier undertakes to keep secret all drawings, models and other written documents, as well as technical know-how, confidential information and facts of which he acquires knowledge when preparing, concluding or executing the contract, as well as improvements in production know-how during the period of cooperation. All such information, etc. shall only be used for the contractually agreed purpose. The supplier shall consequently be obliged to ensure that all company secrets and other confidential technical information of which he acquires knowledge is not used for the production or sale of corresponding plant or plant parts without our prior written consent.
3. The supplier shall ensure that his employees and all persons outside his company, as well as firms providing advisory or practical support in execution of the contract are obliged to maintain secrecy in the same way.
4. The secrecy obligation shall only end when and to the extent that the divulged facts and company secrets demonstrably become public knowledge without the direct or indirect involvement of the party obliged to maintain secrecy.

### **Section 13 Samples, tools, models, software**

1. All samples, drawings, diagrams, illustrations, and other documentation which we have provided shall remain our property. We shall retain copyright to such items. They shall not be duplicated or reproduced or disclosed or made available to third parties without our written consent. They shall be used for the purposes of the respective order only and must be returned to us after execution of the respective order without delay and unrequested.
2. Tools, models and other aids which are produced for execution of our purchase order and which are invoiced separately by the supplier shall become our property at the time of production. The supplier shall retain them on our behalf free of charge instead of handing them over. They may only be used for the execution of our purchase order and shall be handed over to us immediately and free of charge at our request when the contract has been completed or if delivery problems arise.
3. Unless explicitly agreed otherwise, the software with program including all commentaries and details shall similarly become our property with acceptance of the plant / machine. The supplier shall provide the requisite number of licences and documentation free of charge for the standard / basic software used.
4. The supplier shall clearly identify the aforementioned objects as being our property and shall bring our right of ownership to the attention of any third parties seeking to assert claims thereto. The supplier shall be obliged to treat the aforementioned objects with care, to preserve them and to remedy normal wear and tear; the effort invested for this purpose shall be covered by the purchase price. If the objects are damaged, lost or perish, the supplier shall be obliged to restore or replace them.

#### **Section 14 Reservation of title, provision of material**

1. We shall retain ownership of all materials provided to the supplier. The supplier undertakes to use the material provided by us exclusively for the execution of our purchase orders. Our material shall be identified as such and shall be stored and managed separately.
2. Processing or conversion by the supplier shall be undertaken on our behalf. If the goods to which we have reserved title are processed together with other items not belonging to us, we shall acquire part-ownership of the new article in accordance with the value of our goods (purchase price plus value-added tax) in relation to that of the other processed items at the time of processing.
3. If the goods provided by us are inseparably mixed with other items not belonging to us, we shall acquire part-ownership of the new article in accordance with the value of the goods to which we have retained title (purchase price plus value-added tax) in relation to that of the items with which they have been mixed at the time of being mixed. If they are mixed in such a way that the supplier's article qualifies as the main article, it shall be agreed that the supplier assigns part-ownership to us on a prorata basis; the supplier shall keep the exclusive or part-property on our behalf.
4. Insofar as the security accruing to us in accordance with para. 2 and/or para. 3, above, exceeds the purchase price of all the unpaid goods to which we have retained title by more than 10%, we shall be obliged to release corresponding security at our discretion at the supplier's request.
5. The supplier shall be liable for any accidental damage, loss, theft, destruction, perishability and rejection of the materials provided and of the articles made from such materials.

#### **Section 15 Place of performance, applicable law, jurisdiction**

1. Unless specified otherwise in the purchase order, place of performance shall be at our headquarters. The shipment risk shall in all cases be borne by the supplier until the goods are delivered to our receiving plant or their destination.
2. The law of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on the international sale of goods.
3. Düren shall be exclusive place of jurisdiction. However, we also reserve the right to sue the supplier before the courts at his domicile.
4. This English wording of the Conditions of Purchase shall be considered a courtesy translation of the German version. In the case of doubt with respect to the interpretation of the Conditions, the German wording shall prevail.