

## General conditions of purchase

of Gust. Alberts GmbH & Co. KG, Gewerbegebiet Grüenthal, 58849 Herscheid, Germany

### 1. General – scope of validity

- 1.1 Our conditions of purchase apply exclusively; we shall not recognise conditions of the Supplier which conflict with or deviate from our conditions of purchase unless we have explicitly approved their validity in writing. Our conditions of purchase shall apply even if we unconditionally accept the Supplier's delivery while aware of conditions of the Supplier which conflict with or deviate from our conditions of purchase.
- 1.2 All agreements reached between us and the Supplier for the purpose of the execution of this Agreement must be put into writing in this Agreement.
- 1.3 Our conditions of purchase only apply with respect to companies.
- 1.4 All orders, particularly those made orally, will be confirmed by a SAP order form.

### 2. Tender – tender documentation

- 2.1 The Supplier is obligated to accept our order within a period of one week by sending confirmation.
- 2.2 We reserve the property rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without our express written permission. They may only be used for manufacture based on our order; after processing of the order they must be returned to us without further request. During a prolonged ongoing business relationship, the drawings can remain with the Supplier because we expressly point out that we are entitled to demand release at any time. They must be kept secret from third parties; the provision of figure 9, no.4 applies additionally in this respect.

### 3. Prices – conditions of payment

- 3.1 The price stated in the order is binding. In the absence of written agreement to the contrary, the price includes delivery free domicile, including packaging. The return of packaging requires specific agreement.
- 3.2 The statutory value added tax must be declared.
- 3.3 We can only process invoices if, in accordance with the guidelines in our order, they state the order number, item number, etc. quoted in our order, as well as all subsequent deductions, e.g. cash discount, rebate and other dispositions. Invoices must comply with the statutory requirements. In particular, the Supplier must state the country of origin of the goods delivered. All information required by law must also be present. Otherwise, we shall reject invoices. The Supplier shall be responsible for all consequences emerging as a result of failure to comply with this obligation, unless he proves that he is not responsible for them. In particular, we are entitled to compensation by way of credit notes.
- 3.4 Unless other arrangements have been made in writing, we shall pay the purchase price within 14 days, counted from delivery and receipt of invoice, with 3% cash discount or within 30 days from receipt of invoice net.
- 3.5 We are entitled to set-off rights and rights of retention to the extent permitted by law.

### 4. Delivery period

- 4.1 The delivery period stated in the order is binding.
- 4.2 The Supplier is obligated to inform us in writing without delay if circumstances which result in the delivery time being unable to be met occur or become noticeable to him.
- 4.3 In cases of delays in delivery, we are entitled to the claims permitted by law. If the Supplier is behind schedule with the delivery, we will charge 20% of the net order value per calendar week or part thereof. In particular, we are entitled to claim damages in place of performance and withdrawal after the unsuccessful expiration of an appropriate time limit. If we claim damages, the Supplier also has the right to prove that he is not responsible for the breach of duty.

### 5. Transfer of risk – documents

- 5.1 Unless other arrangements have been made in writing, delivery shall take place free domicile.
- 5.2 The Supplier is obligated to quote our order number accurately on all shipping documents and delivery notes; if he fails to do this, we shall not be responsible for delays in processing.

### 6. Inspections for defects – liability for defects

- 6.1 We are obligated to check the goods within an appropriate period for possible quality or quantity deviations; the notification of a defect is regarded as being on time if it is received by the Supplier within a period of five working days, counted from receipt of goods or, in the case of hidden defects, from discovery.
- 6.2 We are entitled to the statutory claims for defects without restrictions; in any case we are entitled to demand remedy of the defects or delivery of a new item from the Supplier, at our choice. We expressly reserve the right to damages, in particular the right to damages in place of performance.
- 6.3 We are entitled to remedy the defect ourselves, at the Supplier's expense, if there is imminent danger or if there is a particular requirement for urgency.
- 6.4 The limitation period is 36 months, counted from the transfer of risk.

### 7. Product liability – release – liability insurance

- 7.1 If the Supplier is responsible for a product defect, he is obligated to release us from third-party claims for damages at the first request if the cause lies with his field of responsibility and organisation and if he is liable himself in the legal relationship with third parties.
- 7.2 Within the scope of his liability for cases of damage within the meaning of figure 1, the Supplier is also obligated to reimburse possible expenses which result from or in connection with a product recall carried out by us in accordance with §§ 683, 670 BGB (German Civil Code). We will inform the Supplier about the content and extent of the recall measures and give him the opportunity to make a statement, as far as this is possible and reasonable. Our other statutory claims remain unaffected.
- 7.3 The Supplier is obligated to take out product liability insurance with a limit of indemnity of €5 million for damage to persons or property, payable as a lump-sum; if we are entitled to other claims for damages, these remain unaffected.

## 8. Industrial property rights

- 8.1 The Supplier is responsible for ensuring that no third-party rights are infringed in connection with his delivery within the European Union and the United States of America.
- 8.2 If claims are made against us by a third party for this reason, the Supplier is obligated to release us from these claims at the first written request; we are not entitled to make any arrangements with the third party or to come to a compromise without the approval of the Supplier.
- 8.3 The Supplier's duty to release relates to all expenses necessarily incurred by us through or in connection with the claim by a third party.
- 8.4 The limitation period is ten years, counted from conclusion of the Agreement.

## 9. Reservation of title - provision - tools - nondisclosure

- 9.1 We reserve the title to parts which we provide to the Supplier. Conversion or alteration by the Supplier is carried out for us. If our reserved goods are converted or altered with other objects not belonging to us, we shall acquire the joint ownership to the new item in the proportion of the value of our item (purchase price plus VAT) to the other converted or altered objects at the time of conversion or alteration.
- 9.2 If the item provided by us is inextricably combined with other objects not belonging to us, we shall acquire the joint ownership to the new item in the proportion of the value of the reserved item (purchase price plus VAT) to the other combined objects at the time of combination. If combination takes place in such a way that the Supplier's item is to be regarded as the main item, it applies as agreed that the Supplier shall assign proportional joint ownership to us; the Supplier holds the sole ownership or the joint ownership for us.
- 9.3 We reserve the title to tools; the Supplier is obligated to use the tools exclusively for the manufacture of the goods ordered by us. The Supplier is obligated to insure the tools belonging to us at replacement value against damage from fire, water and theft. At the same time, the Supplier now assigns all claims for damages from this insurance to us; we hereby accept the assignment. The Supplier is obligated to carry out any necessary maintenance and inspection work, as well as all servicing and overhauling work promptly and at his own expense. He must immediately notify us of failures; should he culpably fail to do so, the claims for damages remain unaffected.
- 9.4 The Supplier is obligated to keep all illustrations, drawings, calculations and other documents and information received strictly confidential. He may only disclose them to third parties with our express permission. The nondisclosure obligation also applies after execution of this Agreement; it expires if and to the extent to which the manufacturing knowledge contained in the relinquished diagrams, drawings, calculations and other documents has become generally known.
- 9.5 If the security interests to which we are entitled in accordance with para. (1) and/or para. (2) exceed the purchase price of all of our reserved goods which have not yet been paid by more than 10%, we are obligated to release the security interests at the Supplier's request at our option.

## 10. Place of jurisdiction – place of fulfilment – applicable law

- 10.1 If the Supplier is a trader, our place of business is the place of jurisdiction; however, we are also entitled to bring claims against the Supplier in the court of the customer's domicile.
- 10.2 Unless stated otherwise in the order, our place of business is the place of fulfilment.
- 10.3 The legal relationship is governed exclusively by German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (UN CISG).

## 11. Miscellaneous

- 11.1 The Supplier affirms that his delivery or other services are consistent with international law and the United Nations Charter and in particular that production does not take place using child labour or in another exploitative way. If the Supplier acts contrary to his assurance, we are entitled to declare our withdrawal from and/or termination of the Agreement with immediate effect.