

General Terms and Conditions of Purchase

Gross & Perthum GmbH & Co. KG, Industriestraße 12-14, 68169 Mannheim Status: June 2017

§ 1 General

1. Our Terms and Conditions of Purchase shall apply exclusively; we shall not acknowledge terms and conditions of the Supplier which oppose or deviate from our Terms and Conditions of Purchase unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Purchase shall also apply even if we accept the delivery with knowledge of terms and conditions of the Supplier which oppose or deviate from our Terms and Conditions of Purchase.
2. Purchase orders, acceptances and their changes and supplements shall require the written form. Verbal ancillary agreements at the conclusion of the contract shall only be effective if they have been confirmed by us in writing. This shall also apply for contractual changes following the conclusion of the contract.
3. Should the Supplier not accept the purchase order within 14 days, then we shall be entitled to revocation prior to receipt of the acceptance declaration.
4. The complete transfer or subcontracting of the ordered deliveries and services to third parties shall require prior written agreement.
5. The cost of insurance of the goods, in particular a forwarding insurance, shall not be borne by us.
6. The General Terms of Delivery are a part of all contracts for the manufacture or delivery of products which we conclude with the Supplier, even if no particular reference is made to these in individual cases.
7. Transportation shall be undertaken at the risk of the Supplier except in cases of collection by the customer.

§ 2 Delivery date and place of performance

1. The agreed delivery date is binding and refers to the time of arrival at G&P. Advance deliveries shall only be permissible with our agreement. Receipt at the shipping address specified by us and provision in a state suitable for receipt shall be decisive for the punctuality of deliveries.
2. Should the Supplier be in default, then we shall be entitled to demand a contractual penalty of 0.5% of the order value per week commenced, however at the most 5% of the order value. We may demand the contractual penalty if we have reserved the right to this at the latest by the expiry of one month following the acceptance of the last delivery or services to be rendered within the scope of the purchase order.
3. The place of performance for deliveries or services of the Supplier is the shipping address specified in the purchase order. If a shipping address is not specified and the place of performance also does not arise from the nature of the obligation, then our address shall apply as the place of performance.

§ 3 Shipment and pricing

1. The prices agreed are fixed prices.
2. The same prices, discounts and terms and conditions shall apply in case of increased or decreased demand, and for deliveries of small quantities.
3. These prices apply delivered free to the place of performance including packaging. Delivery objects are to be properly packaged and shipped; packaging and shipping specifications are to be observed.
4. Delivery notes or packing slips are to be enclosed with every delivery. Order numbers and the labelling required in the purchase order are to be stated on all written documents.
5. In case nothing else has been agreed, payment shall occur within 4 weeks following receipt of the invoice. Should we pay within 10 days following receipt of the invoice, then we shall be entitled to deduct 3% discount from the invoice sum.
6. Discount deduction is also permissible in case of offset or retention due to defects.

§ 4 Invoicing and non-assignment clause

1. The invoice must state the order number and the labelling required in the purchase order.
2. The Supplier shall not be entitled to assign their claims towards us or have these collected by a third party without our written agreement; this shall not apply in case of an effective extended retention of title by the Supplier.

§ 5 Claims for defects

The period of limitation for claims for defects is 3 years from handover.

§ 6 Notification and due diligence obligations

1. If the Supplier has been informed regarding the intended use of the deliveries or services or if this intended use is apparent for the Supplier also without express notification, then the Supplier shall be obligated to immediately inform us in case the deliveries or services of the Supplier are not suitable to fulfil this intended use.
2. Circumstances which endanger compliance with the agreed delivery date are to be notified immediately in writing for clarification of the further procedure.
3. The Supplier must notify us immediately in writing of changes in the type of composition of the processed materials or the construction design compared to identical deliveries or services rendered by us up until now. These changes shall require our prior written agreement.
4. The Supplier must ensure that the deliveries and services comply with environmental protection, accident prevention and other occupational protection regulations, the safety regulations and all valid legal requirements in the Federal Republic of Germany, and must point out to us any special, not generally known handling and disposal requirements for every delivery.
5. Subsequently determined safety-relevant defects arising from product observations are to be notified to us unprompted without delay, even after expiry of the warranty period.

§ 7 Provision

1. Objects of any kind entrusted to the Supplier by us shall remain our property. They may be used exclusively for rendering the ordered delivery or service.
2. The Supplier shall be obligated at their own cost to implement any required maintenance and inspection work and to sufficiently insure the entrusted objects and to verify this to us on request.
3. Insofar as the objects entrusted to the Supplier by us are processed or transformed to a new, moveable item, then we shall be deemed the manufacturer. In case of a connection or inseparable amalgamation with other objects, we shall acquire co-ownership of the new item in relation to the value which the objects had at the time of the connection or amalgamation. If the connection or amalgamation occurs in such a way that the objects of the Supplier are to be viewed as the main item, then it is deemed agreed that the Supplier proportionately transfers co-ownership to us; the Supplier shall retain this co-ownership for us.

§ 8 Confidentiality

1. The Supplier shall obligate themselves to treat not generally known, commercial and technical information and documents which become known to them through the business relationship as confidential, and to use this exclusively

for rendering the ordered deliveries and services. Any sub-suppliers are to be obligated accordingly. Whatever the case, information subject to confidentiality is to be treated confidentially for a period of 5 years following the termination of the contractual relationship. If in an individual case the interests of confidentiality apply beyond this, then this obligation shall respectively be temporally extended through a statement to the Supplier.

2. With the submission of references or publications, the Supplier may only state our company or brand if we have previously agreed to this in writing.

§ 9 Spare parts / readiness for delivery

1. The Supplier is obligated to supply goods or spare parts at appropriate conditions for the period of the usual technical lifecycle, but at least 5 years after the last delivery of the delivery object. Insofar as parts are concerned which the Supplier does not manufacture themselves but rather procures from a sub-supplier, then procurement sources are to be stated and the parts specified so that it is possible for us to subsequently order these from the producer without confusion.
2. If, after the expiry of the period stated in Para. 1, the Supplier should cease the delivery of goods, spare parts or the delivery of the delivery object within this period, then we are to be provided with the opportunity for a final purchase order.

§ 10 General technical requirements on the products

1. The Supplier shall ensure that their products comply with the technical documentation agreed within the scope of the purchase order, e.g. specification, delivery specification, drawings, works standards, test instructions. Furthermore, the Supplier shall ensure that their products are at all times in accordance with the state of the art and, over and above this, are adapted through their special knowledge. Changes, in particular to the composition of the processed materials and/or in design and/or of the production process of the products to be delivered to us are to be reported in due time for clarification of the further procedure prior to the planned realisation, and shall require our written approval.
2. For the assurance of the quality of the products to be delivered to us, the Supplier shall obligate themselves under their own responsibility to the introduction, application and maintenance of an effective quality assurance system.
3. Under their own responsibility, the Supplier shall obligate themselves to plan, organise and realise the production process and quality assurance so that comprehensive control and monitoring is ensured and the requirements on the quality and safety of the products are complied with. If the agreed technical documentation includes special test instructions, then these must be taken into consideration.
4. The Supplier must create records regarding the tests implemented by them and their results. This documentation is to be stored for at least 5 years and be provided to us on request for inspection. Following the expiry of the agreed period of storage, it must be agreed with us whether the records should be stored further or if they may be destroyed.
5. The type and extent of the enclosed test certificates/protocols by the Supplier of the delivery shall be determined by us.
6. For products which do not accord with all specified requirements, the Supplier may request a deviation permit from us prior to delivery in exceptional cases, stating the type and cause of the deviation, the quantity affected and the measures for rectification introduced by the Supplier. As a result, we may grant a special approval. The continuation of the production and the delivery of the affected products may only occur if we have granted a special approval. Products for which special approval exists are to be specially labelled. Special approval does not apply as a quality concession for future deliveries.
7. Prior to the initial delivery of a new or changed product and/or initial delivery from new or supplemented tools or manufacturing process, the Supplier shall submit samples with test reports to us for approval, provided nothing else has been agreed. The samples must, if possible in each individual case, be produced under series production conditions. They are to be supplied specially labelled, in agreed quantities. The Supplier shall be informed of the result of the inspection. The decision may be: Approve, Approve with stipulations or Do not approve.

We shall reserve the right to undertake acceptance tests at the Supplier location. Details regarding this shall be regulated within the scope of the purchase order.

8. Within the scope of our own quality assurance monitoring system and according to the previous results of the quality assessment of the products of the Supplier, we shall execute receiving inspections at regular or irregular intervals. The test plans agreed between the Supplier and ourselves shall form the basis for these inspections. The purpose of this inspection is the determination of whether the delivery lot is accepted or rejected.
9. In case of non-compliance of the agreed benchmark quality values, the Supplier and ourselves shall immediately confer as to whether the delivery quantity is completely re-accepted or whether it is 100% inspected – whether by the Supplier or by us – at the cost of the Supplier. If no agreement is reached, we may reject the delivery quantity completely or carry out a 100% inspection at the cost of the Supplier. If circumstances liable for reprimand only arise during the processing or operationalisation of the products delivered to us by the Supplier, then we may still reprimand this within one month after its discovery. Delivery quantities sorted or subsequently processed by the Supplier are to be specially labelled in case of renewed delivery.

§ 11 Regulations on conduct

The Supplier shall declare and guarantee:

- The maintenance of internationally acknowledged human rights within their company;
- The rejection of any form of forced and child labour acc. the United Nations regulations
- The adherence to international and national legal regulations as well as regional and local regulations
- To counteract discriminations in any form (gender, race, religion, etc.)
- To guarantee work safety and health protection at the workplace within the scope of the national provisions;
- The rejection of corruption in any form
- The maintenance of all pertinent legal provision for the import and export of goods, services and information.

They shall also obligate suppliers accordingly.

The suppliers shall furthermore obligate themselves to adhering at least to the respective valid legal and collective agreement minimum wage, and to paying this to their employees. This obligation also extends to employees loaned to them within the scope of personnel leasing and deployed to execute the services inasmuch as the MiLoG (Minimum Wage Law) applies to the leased personnel. The suppliers shall furthermore obligate themselves to impose the obligation for payment of the minimum wage onto subcontractors in their employment, and to claim this obligation of them. On request by the client, the supplier shall provide anonymised wage documentation for the personnel in their employment. The supplier hereby releases the client from any claims by third parties regarding a violation against the MiLoG in the respective valid version including the legal ordinances issued for the purpose. This release also comprises all fines and legal and lawyer costs.

§ 12 Place of jurisdiction, applicable law and miscellaneous

1. The place of jurisdiction – also for cheques and bills of exchange processes – is Mannheim. The same place of jurisdiction shall apply if the Supplier does not have a general place of jurisdiction in the Federal Republic of Germany at the time of the initiation of the legal proceedings. However, we shall be entitled to call on any legally responsible court.
2. The law of the Federal Republic of Germany applies. The application of the UN Sales Convention is excluded.
3. Provided nothing else arises from the order confirmation, the place of performance is our headquarters.

§ 13 Severability clause

Should individual provisions be or become ineffective or unfeasible, then the remaining provisions shall not be affected. This shall also apply for essential or fundamental provisions of the contract. The parties are obligated to conclude a regulation in place of the ineffective provision, which comes closest to the legally desired economically aspired results.