

# General Purchasing Terms and

## Conditions - Reuther STC GmbH

Version: April 2015



### 1. In general

1.1. Legal relationships between the supplier and us are governed exclusively by the following Purchasing Terms and Condition. Terms and conditions of the supplier that are contrary to or deviate from our Purchasing Terms and Conditions are applicable only if we have expressly consented to their applicability in writing. Neither our silence nor acceptance of performance or payment for same, including without reservation, constitutes consent.

1.2. These Purchasing Terms and Conditions also apply mutatis mutandis to services to be provided to us.

1.3. All agreements between the supplier and us for the purposes of bringing about and performing this contract, including any amendments, side agreements, declarations, and notifications, must be made in writing. There are no oral side agreements.

1.4. Our Purchasing Terms and Conditions also apply to future transactions with the supplier.

1.5. Oral and telephonic understandings require our written confirmation in order to be effective.

### 2. Offer

2.1. In preparing its offer, the supplier must adhere precisely to the enquiry and expressly point out any discrepancies. The offer must be made in writing.

2.2. If the supplier has concerns about the desired type of execution, it must give prompt written notice of same.

2.3. The offer must be made at no charge, and it does not establish any obligation on the part of the enquiring party. Cost estimates are not paid for.

### 3. Delivery, delivery date, default in delivery

3.1. Delivery is to be made to the place of destination designated by us (place of performance) free of freight charges, packaging costs, and fees. At our request, the supplier must pick up the packaging material from the place of performance and dispose of it at its own expense.

3.2. Order numbers, place of destination, precise description of the goods, individual weights, sizes, batch, and other order notations must be indicated in or on delivery certificates, freight certificates, railway car tags and the like, as well as in correspondence concerning the order. The supplier must reimburse all costs incurred by us as a result of failure to comply with our shipping instructions. In the case of returnable packaging, the type of packaging and the return date are to be noted on shipping documents and invoices.

3.3. The delivery date indicated in the order is binding. Controlling for compliance with the delivery date is receipt of the goods at the place of destination designated by us. The supplier must promptly notify us in writing about any recognisable delay in its performance, indicating the reasons for and expected duration of the delay.

3.4. The supplier is responsible, including without fault, for procuring the input deliveries and services necessary for the deliveries and services.

3.5. If the supplier fails to meet its obligation during the agreed delivery period, it is liable in accordance with statutory provisions.

3.5. In the event of default in delivery, we are entitled to demand a contractual penalty for each commenced week of default in the amount of 1% of the order value, but not more than 5% of the order value. The assertion of farther-reaching damage remains reserved. In the event of a lengthier inability to deliver, we also reserve the right to make a covering purchase.

3.6. Any contractual penalties paid are to be set off against claims for compensation of damages. The contractual penalty may be asserted up to the time of payment of the untimely delivered goods.

3.7. Cases of force majeure exempt the supplier and us from performance obligations for the duration of the disturbance and to the extent of its effect. Force majeure in this sense includes only the following circumstances: natural disasters, war or war-like events (other than violent demonstrations), sabotage by persons outside the company (members of input suppliers and sub-suppliers are not considered to be persons outside the company), and strikes or lock-outs involving companies in addition to the one at which the strike or lock-out occurs. The affected party must promptly and comprehensively notify the other contracting party and undertake everything that can be reasonably expected of it to limit the effect of such cases. The affected party must promptly notify the other contracting party about the end of the disturbance.

3.8. In the event of a lengthier inability to deliver (more than two weeks), suspension of payments, or the opening of insolvency proceedings or the rejection of such proceedings due to one of the contracting parties' lack of assets, the other contracting party is entitled to rescind the contract with respect to the part not yet fulfilled. If the supplier is affected by one of the aforementioned events, it agrees to use best efforts to support us in shifting production of the subject of delivery to us or to a third party, including the licensing of the industrial property rights necessary for production at terms customary in the industry. In this regard, the supplier must comply with our corresponding instructions. Each measure must be coordinated with us in advance. In addition, it assigns to us the warranty claims to which it is entitled against its input suppliers or subcontractors. We accept the assignment.

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3.9. The supplier must give us prompt written notice in the absence of necessary documentation to be delivered by us and set a reasonable deadline for subsequent delivery.

3.10. We accept goods on Monday-Friday from 6:30 a.m. to 2:00 p.m., otherwise only subject to prior written or telephonic agreement. Unloading time is 6:30 a.m. to 9:00 p.m.

3.11. If delivery occurs earlier than agreed, we reserve the ability to return the delivery at the supplier's expense. In the event of premature delivery, the goods are stored with us until the agreed delivery date at the supplier's risk and expense.

3.9. Der Lieferant hat das Ausbleiben notwendiger, von uns zu liefernder Unterlagen unverzüglich schriftlich mitzuteilen und eine angemessene Frist zur Nachlieferung zu setzen.

3.12. A delivery is considered complete if all agreed ancillary conditions (e.g. attestations) have been received at the place of destination. We accept partial deliveries only subject to express written agreement.

3.13. The supplier may assign to third parties the carrying out of performance or material parts thereof only with our prior written consent.

3.14. We are entitled to brief ourselves on short notice during normal business hours about the contractually consistent carrying out of performance. The documentation necessary for such briefing is to be presented to us for inspection upon request.

## 4. Transfer of risk; inspection and acceptance

4.1. Risk passes to us when the goods arrive at the place of destination designated by us on the agreed delivery date. If we pick them up ourselves, risk passes to us once the goods leave the supplier's building.

4.2. Where appropriate, the supplier's performance is to be inspected and accepted by us. A review, technical inspection and acceptance, official inspection and acceptance, or putting the performance into use does not replace inspection and acceptance.

## 5. Invoice and payment

5.1. Invoices must correspond to the sequence of the text and the prices in the order and must be submitted to us in duplicate after delivery is made, indicating the order number and order date. Instalment invoices, partial invoices, partial final invoices, and final invoices must be designated as such and consecutively numbered. Invoices without separate designations are treated as final invoices.

5.2. Any over- or under-performance must be separately indicated in the invoice. We are obligated to compensate any additional performance and/or over-performance only if a written agreement was concluded prior to carrying out performance.

5.3. Statutory value-added tax must be listed separately on the invoice. We are entitled to reject invoices that do not contain the information required by the German Value-Added Tax Act (Umsatzsteuergesetz).

5.4. Invoices submitted improperly are not considered received by us until the time of receipt of the correction.

5.5. Claims are not due until receipt of the goods in full and receipt of properly prepared invoice documentation (see also 5.9.).

5.6. Unless agreed otherwise in writing, we pay the purchase price within 14 days, starting from complete delivery and receipt of invoice, with a 3% discount for early payment, or within 30 days following delivery and receipt of invoice.

5.7. Controlling for the timeliness of our payment is the submission of the wire transfer form to the bank/credit institution or, as the case may be, the sending of the cheque.

5.8. The supplier may dispose of its claims against us by assignment, pledge, or otherwise only if it has previously obtained our written consent.

5.9. If quality certificates (e.g. material attestations) were agreed to, they form a material component of the delivery and are to be furnished to us together with the delivery. The contractor is to send us the testing attestations in paper form (single copy) and as a pdf document not later than three days after delivery. The arrangements agreed upon for the subject of delivery also apply to these certificates.

5.10. The supplier is not entitled to any rights of retention, insofar as same are based on counterclaims for earlier or other transactions with us.

5.11. The supplier may set off only those claims that are uncontested or that have been reduced to an enforceable judgment.

## 6. Warranty, notice of defects, and liability

6.1. The supplier warrants that the subject of delivery will be free of any defects that interfere with its value or its suitability for use, have the agreed or guaranteed quality, be suitable for the use envisioned under the contract, and correspond to the state of the art. This also applies where plans, drawings, calculations, or other execution documentation provided by the supplier have been signed, approved, or stamped by us, have been labelled by us with a "viewed" mark, or the like.

6.2. If the subject of delivery does not conform to the foregoing, we are entitled, at our choice, to demand removal of the defect or delivery of a defect-free item, as well as, in accordance with statutory provisions, to rescind the contract, reduce the purchase price, or demand compensation of damages or fruitless expenses. A repair is deemed to have failed after the first unsuccessful attempt.

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6.3. If the supplier gave a guarantee for the quality or durability of the subject of delivery, we may also in addition assert claims under the guarantee.

6.4. We perform an incoming goods inspection only with respect to visible exterior damage and visible exterior deviations in identity and amount. We will give notice of such defects within two weeks. We reserve the ability to perform a more extensive incoming goods inspection. In addition, we give notice of defects within two weeks once they are identified in the normal course of business. To this extent, the supplier waives the objection of untimely notice of defects. If defects are identified, we are entitled to send back the entire delivery.

6.5. Warranty claims are prescribed 24 months after commissioning, but at most 30 months after inspection and acceptance of the product manufactured by us. The prescription period is extended by the amount of time that the defective subject of delivery cannot be used as intended. Warranty claims for defects that have been notified to the supplier during the warranty period are prescribed an additional 12 months after notice of defects, but not before expiry of the prescription period described in the first sentence.

6.6. The prescription period for warranty claims under Section 6.5 is tolled if the parties are negotiating the existence or scope of warranty claims or if the supplier is itself verifying the presence of a defect. Tolling ceases once the supplier notifies us in writing that the negotiations have ended or the result of the verification is being sent to us or if the supplier refuses in writing to continue to eliminate the defect. Resumption or negotiation, verification or elimination of defects leads anew to the tolling of the prescription period.

6.7. The supplier's warranty also extends to parts delivered to it by its sub-suppliers.

6.8. After notifying the supplier, we are entitled to make the repair ourselves or have it carried out by third parties in the event of a threat to operational safety, in the event of unusually high damages, in order to maintain our ability to deliver to our customers, or in the event of particularly urgent necessity. Costs incurred from this are for the account of the supplier. The supplier is liable for all damages and expenses directly or indirectly incurred by us due to defects in the item. Also required to be reimbursed are expenses for an incoming goods inspection that exceeds the customary extent, where at least parts of the delivery were recognised as being defective. This also applies to a partial or incomplete inspection of received deliveries in the further course of business by us or our customers. If the supplier uses third parties in providing performance, it is liable for them as for persons used to perform an obligation.

6.9. The supplier also reimburses our expenses or those of our customers that are incurred in advance of or in connection with defect-liability events in order to prevent, ward off, or mitigate damages.

6.10. The supplier must reimburse expenses that we are obligated by statute to bear vis-à-vis our customers and are attributable to defects in the delivery purchased by them.

6.11. In all other respects, the supplier is liable in accordance with statutory provisions.

6.12. In the event of failure to meet deadlines concerning deliveries or manufacturing that has already commenced, the supplier assumes the responsibility for the order process.

## 7. Quality management

7.1. For its deliveries, the supplier must put in place a quality management system (e.g. DIN EN ISO 9001) and demonstrate same to us in suitable form at its own initiative.

7.2. Where necessary, the supplier must conclude a corresponding quality assurance agreement with us.

## 8. Retention of title, copyrights, and confidentiality

8.1. The supplier's retention of title becomes a component of the contract only if retention of title expires with payment of the price agreed to for the reserved goods and we are authorised to resell and process them in the ordinary course of business. Farther-reaching retention of title by the supplier is not accepted.

8.2. We retain title and copyrights in and to images, drawings, calculations, and other documentation provided to the supplier. They may not be made accessible to third parties without our express consent. They are to be used solely for manufacturing on the basis of our order. After the order has been completed, they are to be returned to us without being prompted to do so.

8.3. We are permitted to retain documentation provided by the supplier to us and to copy and use it for training and maintenance, as well as, subject to separate agreement, for farther-reaching purposes.

8.4. The supplier is obligated to maintain in confidence the information concerning the conclusion of the contract and its content, as well as information provided by us to it, such as documentation, findings, templates, manufacturing resources, models, data storage media, etc., to refrain from making same accessible to third parties (including sub-suppliers) without our written consent, and to refrain from using same for purposes other than those stipulated by us. The same applies to duplications. This obligation does not apply to information that was already legitimately known to it at the time of receipt without an obligation of confidentiality or thereafter becomes legitimately known to it without an obligation of confidentiality, that is or becomes generally known – without breach of contract by one of the parties – or for which it was granted permission to use in a different manner.

8.5. The supplier may make reference to our existing business relationship in informational and promotional materials only with our prior express written consent.

8.6. The supplier is liable for all damages suffered by us through breach of one of these obligations.

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## 9. Provided items

9.1. We retain title to products, drawings, parts, containers, special packaging, tools, measuring devices, and the like provided by us ("Provided Items").

9.2. If Provided Items are processed, joined, or mixed, we receive co-title to the new product in the proportion that the value of the Provided Item bears to the value of the overall product.

9.3. Provided Items may be duplicated only after our prior written consent. Title to duplications vests in use when they are manufactured.

9.4. The supplier is not entitled to a right of retention for Provided Items, regardless of reason.

9.5. Provided Items and duplications thereof may not be made accessible to third parties (including sub-suppliers) and may not be used for purposes other than those agreed upon.

## 10. Tools and devices

10.1. Unless agreed otherwise, we receive full or co-title to the extent that we participate in the demonstrated costs for tools used to manufacture the subject of delivery. (Co-) title to tools vests in us upon payment. They remain with the supplier as a loan.

10.2. The supplier may dispose of tools, either de facto or de jure, move them to another location, or make them permanently functional only with our approval.

10.3. Tools are to be labelled by the supplier as being our (co-) property.

10.4. The supplier bears the costs for maintaining, repairing, and replacing tools. We have title to replacement tools corresponding to our share in the original tool.

10.5. In the event of co-title to a tool, we have an option to purchase the supplier's share of co-ownership.

10.6. The supplier may use tools to which we have (co-) title only for manufacturing the subjects of delivery. After supplying has finished, the supplier must immediately turn the tools over to us upon request. With regard to tools in co-ownership, we must reimburse to the supplier the fair value of its co-ownership share following receipt of the tool. In no event is the supplier entitled to a right of retention. The supplier is also obligated to turn over tools in the event that an insolvency application is filed against it or in the event of a lengthier interruption to supplying. The supplier must insure tools to the agreed extent or, if no agreement was made, to the customary extent.

10.7. The aforementioned arrangements apply mutatis mutandis to devices.

## 11. Third-party rights

11.1. The supplier represents that no third-party rights were infringed in connection with its delivery, and it indemnifies us against any third-party claims. The supplier's indemnification relates to all expenses and damages suffered by us out of or in connection with a lawsuit by a third party.

11.2. The prescription period for such claims amounts to 10 years, starting with conclusion of the respective contract.

## 12. Final provisions

12.1. The place of destination designated by us is the place of performance for deliveries and services.

12.2. German law is exclusively applicable to the contractual relationship.

12.3. It is agreed that the court with jurisdiction over our registered office is the exclusive place of jurisdiction for all disputes arising under the contract. However, we are also entitled to bring suit against the supplier before another competent court.

12.4. If the contract is translated, the German contractual text is solely applicable for its interpretation.

12.5. If a provision should be or become ineffective, this does not affect the validity of the other provisions.

12.6. We point out that we store personal data in compliance with statutory provision and process them in connection with business transactions.