

## **General Terms and Conditions of Purchase**

### **§ 1 Conclusion of a contract**

1. Orders effect on the basis of these general terms and conditions of purchase. Other conditions are not part of the contract, even if the customer does not explicitly object. These general conditions of purchase apply to all subsequent orders or contractual relationships between the supplier and the customer.
2. If the buyer's order is not acknowledged in writing within 5 working days after its receipt, the buyer is allowed to cancel the order.
3. Only orders placed in writing are binding. Orders placed in person or by phone must be validated subsequently by a firm letter of confirmation from the buyer. Verbal collateral agreements, amendments and supplements of the contract require the written form.

### **§ 2 Prices, Delivery, Packaging**

1. All agreed prices are fixed prices and rule out any subsequent demands. Cost for packaging and transport as well as for customs clearance and customs formalities are included in these prices.
2. Our order no. must be mentioned on all dispatch notes, bills of freight, invoices and all further correspondence.
3. The consignment has to be delivered free to the agreed destination at the suppliers expense and risk.
4. The legal regulations apply for the obligation of taking back packaging materials.
5. The buyer is entitled to set-off and retention rights to the extent stipulated by statutory provisions.

### **§ 3 Invoices and Payment**

1. Invoices have to include all agreed information and documents. If there is no special agreement concerning the invoices and the necessary information, the usual delivery documents will be sufficient. Incorrect invoices are only considered after correction. The date of the correction is decisive.
2. Payment will be made in the standard commercial way, as long as the consignment meets our full satisfaction and there are no reasons for complaint. In the case of deliveries/services and incoming invoices between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, the payment will be made by the 30<sup>th</sup> of that same month. In case of deliveries/ services and incoming invoices between the 16<sup>th</sup> and the 31<sup>st</sup> of the month payment will be made by the 15<sup>th</sup> of the following month. In both cases the payment will be reduced by 3 % cash discount or payment will be made within 60 days net. The applicable commencement of the payment period is the latest date, either the date of the receipt of the delivery or the date of the receipt of the invoice.

### **§ 4 Delivery dates, delays in delivery, force majeure**

1. The agreed delivery dates are binding. Fulfillment of the confirmed delivery is the date on which the consignment arrives at the agreed destination.
2. If a supplier becomes aware of any possible reasons which could cause a delay in delivery he is obliged to inform the buyer without delay in writing, by giving the reasons for the delay and by notifying the expected length of the delay.
3. Incidents of force majeure along with industrial disputes, lockouts, riots and measures, ordered by the authorities and other unpredictable and severe incidents, that are completely out of our control and responsibility entitle the buyer to postpone the fulfillment of the purchase commitment for the period of time, during which the problem lasts and an appropriate preparation time. If the upholding of the contract becomes unacceptable to the buyer, the buyer is entitled to withdraw from contract. Due to neither the postponement of the fulfilling of the contract nor due to the withdrawal from the contract, is the supplier allowed to derive any contractual claims for damages from the buyer.
4. According to the legal regulations, in case of a delay in delivery the buyer is justified to raise a claim for damages and/ or to cancel the order accordingly.
5. In the case of a delivery arriving earlier than agreed, the buyer retains the right to return the parts at the supplier's expense. In the case of the consignment not being returned but accepted, the goods will be held on stock at the supplier's expense and risk. Basis for the payment is solely the agreed upon delivery date.
6. Part deliveries will only be accepted after explicit agreement.

### **§ 5 Provision of material, equipment and tools**

1. Any material, equipment and tools that have been provided by the buyer to enable the supplier to carry out the services, remain in the property of the buyer. The supplier is obliged to treat them carefully, store them accordingly and insure them to their original value against fire, water and storm damages.
2. It is prohibited to pass on material, tools and equipment provided by the buyer, as well as models, samples, drawings, safety standards, software and other data medium or objects produced afterwards to a third party or to use them for purposes other than those agreed upon in the contract without written approval by the buyer.
3. Besides this, any other separate agreements made between both contractual parties, concerning this section, apply.

## **§ 6 Liability for defects**

1. Obvious deficiencies of delivery, such as differences in quantity and obvious transport damage, must be reported by the customer as soon as they are discovered in the ordinary course of business. The complaint shall be deemed timely if made within 5 calendar days after receipt of delivery. Other defects shall be notified within five calendar days after its discovery.
2. Both contractual partners agree that a complaint is lodged in accordance with the regulations, also under the purview of the UN sales law, by notifying the supplier that the product is faulty. A detailed description of the defect or detailed reasons for the non-usability, however, will be handed in later upon the supplier's request within an appropriate period of time.
3. The supplier guarantees that the manufactured products have the agreed nature, especially that the products fulfil the required customer's specifications. Changes must be agreed in principle
4. The buyer is entitled to legal claims with regard to defects, including claims for damages and claims for compensation of expenses without deduction. In the case of any replacement deliveries, the warranty of quality starts again.
5. If the supplier does not meet the demand for remedying the defects or sending a replacement delivery immediately, within 10 working days at the latest, or he is unable to despatch a replacement delivery, the buyer has the right to cancel the order and to receive claim for damages instead of order fulfillment.
6. In cases of utmost urgency, the buyer is – in order to fulfill his own duty to deliver – allowed to remedy the defect himself or to instruct a third party to do so, or, if necessary, to buy flawless objects of the contract from a third party. Any costs occurring have to be paid by the supplier.
7. If the products are delivered in an end product use, which is sold to a consumer, the purchaser in the event of a claim by its customers pursuant to § § 478, 479 BGB a right of recourse in the appropriate application of these rules against the supplier. For the scope, content and limitation apply § § 478, 479 BGB accordingly.

## **§ 7 Product liability and liability insurance cover**

1. The Supplier is under obligation to reimburse all the expenses in accordance with §§ 683, 670 of BGB, which are incurred from or in connection with a recall carried out by the buyer and/or its customer if the recall was offered to avert a possible risk owing to a defect in the delivery of the supplier.
2. Buyer and supplier will inform each other in case of any legal defence.
3. The supplier is obliged to take out appropriate product liability insurance.

## **§ 8 Industrial property right and deficiency in title**

1. The supplier guarantees that all consignments are free from third party claims and in particular by the delivery and the use of the delivered goods, patents, licenses or other industrial property rights of third parties are not infringed, neither in the country of the agreed place of delivery nor the proposed country of use, if known by the supplier.
2. The supplier releases the buyer and their customers from third party claims from possible industrial property right infringements and defrays all costs that arise in this context.
3. Concerning any other claims for deficiencies in title the regulations for the liability of defects according to paragraph. § 6 of this contract apply.

## **§ 9 Secrecy**

1. The buyer and the supplier are obliged to treat all information, concerning this business relationship in absolute confidence. They are particularly obliged to treat all received illustrations, drawings, calculations, working drafts, models, CAD-data, and any other further documentation and information strictly confidentially. The content of the information can only be made available to third parties after submission of an explicit, written approval.
2. Even after completion of this contract or in the case that there was not a contract the obligation of secrecy continues.
3. Documents received have to be sent back to the contract partner unrequested after the end of the business relationship.

## **§ 10 Final clause**

1. These Terms and Conditions apply for legal relations with businessmen.
2. In case that single parts of these Terms and Conditions should be invalid the legal force of all other Terms and Conditions will not be affected.
3. The supplier is not entitled to give the order or significant parts of the order to third parties, nor to transfer accounts receivable outside an extended reservation or ownership without advance written approval.
4. If the supplier halts payment, the insolvency procedure is opened or instituted over his property or an out-of-court debt settlement procedure is initiated, the buyer is entitled to terminate the contract without notice.
5. Place of fulfillment and jurisdiction is exclusive the domicile of the buyer.
6. German law applies exclusively to the legal relationship between the contract partners.
7. The language of the contract is German. The above is a translation of the General Terms and Conditions of Purchase of 14<sup>th</sup> of July 2008. The German text prevails.

Date: April, 2017

Grashorn & Co GmbH, Bargloyer Str. 5, D-27793 Wildeshausen