

General Ordering Conditions of German Pneumatics Engineering GmbH

As of: February 2020

1. Scope of application

We order exclusively on the basis of these General Terms and Conditions of Purchase. Any other or deviating terms and conditions of the supplier shall not apply unless we have expressly accepted them in writing. The ordering and acceptance of deliveries or services does not constitute acceptance or acknowledgement of the supplier's terms and conditions.

2. Quotations, documents

2.1 Quotations of the supplier must always be submitted in writing or in the form of a text (e-mail, fax, etc.) and are without obligation to pay remuneration.

2.2 We reserve all rights of ownership, rights of use and exploitation as well as all intellectual property rights to the drawings, plans, illustrations, calculations, models, samples and other documents provided to the supplier for the purpose of submitting quotations. The supplier may not hand them over or make them available to third parties without our express written consent.

2.3 If they are made available to the supplier in connection with a quotation or order, the supplier may use them exclusively for the purpose of submitting a quotation or processing the order. They must be returned to us without being asked if no order is placed or, upon request, if a placed order has been processed.

3. Orders

3.1 Orders are only legally binding if we place them in writing or in the form of a text (e-mail, fax, etc.). Orders placed orally or by telephone require subsequent confirmation by us in writing or in the form of a text (e-mail, fax, etc.). We may refuse acceptance and payment for deliveries that are not made on the basis of a proper order in accordance with the above provisions. In the event of ambiguities in the order, these must be clarified by the supplier in writing or in the form of a text (e-mail, fax, etc.).

3.2 The supplier is obliged to confirm the order in writing or in the form of a text (e-mail, fax, etc.) if the order is accepted within the period stated on the order.

3.3 If order acceptances or letters of confirmation from the supplier deviate from the order, the supplier is obliged to expressly point this out. In this case, a contract is only concluded with our consent in writing or in the form of a text (e-mail, fax, etc.).

3.4 An order acceptance deviating from the order constitutes a new offer and requires our acceptance in writing or in the form of a text (e-mail, fax, etc.).

3.5 The commissioning of a subcontractor requires our prior written consent. In doing so, the supplier's obligations towards us shall remain unrestricted and the supplier shall be liable for any faults of his subcontractor as well as for his own faults.

4. Prices, delivery, packaging

4.1 The prices stated in the order are binding. Incoterms 2010 FCA (Free Carrier) shall be deemed as agreed for all deliveries, unless the parties have expressly agreed otherwise. The price stated in the order includes all costs for a delivery in accordance with the agreed Incoterms.

4.2 Changes due to subsequent increases in costs are excluded, regardless of the reason, unless expressly agreed otherwise.

4.3 If the prices are not stated in our order, the supplier must state them in his order confirmation. In this case, the contract shall only come into effect upon further confirmation by us in writing or in the form of a text (e-mail, fax, etc.).

4.4 If, in exceptional cases, prices are agreed ex works, ex warehouse of the supplier or for a third party, all costs incurred up to the time of handover to the transport company, including loading and carriage, shall be borne by the supplier.

4.5 The supplier shall notify us immediately of the completion of a delivery by means of a dispatch note. Our order number must be stated on this notification and on other documents and invoices relating to an order.

4.6 The supplier must use environmentally friendly and, if possible, recyclable packaging materials.

5. Invoices, payment

5.1 Invoices shall be issued with all necessary proof and reference to the order data. The cost of delays due to non-compliance with these specifications shall be borne by the supplier. In such cases,

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payment periods shall not begin before the presentation of verifiable invoices that comply with these regulations.

5.2 We have the right to make payments within 30 calendar days net. The periods shall commence upon receipt of the invoice, but not before complete delivery or performance, free of defects.

5.3 We are entitled to set-off and retention rights provided for by law under the conditions stated therein.

6. Delivery dates, deadlines, contractual penalty

6.1 Agreed delivery dates and deadlines are binding and are calculated from the date of the order. The arrival of the delivery at the receiving point specified in the order or the successful acceptance, (if such is contractually agreed or provided by law) is decisive for compliance with them.

6.2 If the supplier realises that he will not be able to meet the delivery dates or deadlines, he shall notify us immediately in writing, stating the reasons and the expected delay. Acceptance of the new delivery date requires our consent in writing or in the form of a text (e-mail, fax, etc.); it is not given by the supplier's notification or by not responding with regard to this notification.

6.3 We shall be entitled to the statutory claims if the supplier is in default of delivery. In particular, we shall be entitled to claim damages instead of performance and to withdraw from the contract after a reasonable grace period has expired without a result. We only accept early deliveries or partial deliveries in individual cases or if this has been expressly agreed. Otherwise, we have the right to return the delivery at the supplier's expense. Even if we accept the deliveries, we are not obliged to make early payments.

7. Quality characteristics – Execution regulations

7.1 The properties or features stated in the specifications according to the order or the quality assurance agreements must be fulfilled by the object of sale as agreed quality characteristics.

7.2 Insofar as the supplier receives drawings, samples or other instructions from us, these are solely decisive for the type, quality characteristics and design of the goods to be delivered.

7.3 In the case of serial production in accordance with our specifications, this may only be commenced after our approval of the sample in writing or in the form of a text (e-mail, fax, etc.). Any reservations which the supplier has with regard to our specification must be communicated immediately. In this case, sample production or other contractual performance may not take place until agreement has been reached between the parties.

7.4 The delivered goods must comply with the relevant applicable statutory accident prevention regulations, VDE regulations, other statutory rules and regulations and the recognised rules of technology.

8. Liability for material defects

8.1 The supplier shall ensure that the guarantees he has given are observed and shall ensure that the deliveries or services are free of defects. In particular, the supplier must also comply with the relevant provisions under public law and guidelines as well as the regulations of authorities, professional associations, etc.

8.2 In the event of defects, we shall be entitled to statutory warranty claims. In particular, we shall be entitled to demand that the supplier, at our discretion, remedies the defect or delivers / produces a new product. The supplier shall bear the costs arising in connection with subsequent performance. We reserve the statutory right to claim damages, damages in lieu of performance or the assertion of warranty claims.

8.3 In cases of a risk of disproportionately high damages or other special urgency, we are entitled to remedy defects at the supplier's expense if we have tried to contact the supplier without success or if this is not indicated due to the special urgency. This does not release us from the obligation to inform the supplier immediately of such measures.

8.4 The limitation period for claims for defects is 36 months, unless a longer period is provided by law. The period shall begin with the transfer of risk, but shall be suspended in the event of negotiations concerning a defect and/or it shall begin anew if the supplier acknowledges a defect.

9. Product liability, indemnification against claims of third parties, insurance, industrial property rights

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9.1 If a claim is made against us on the basis of product liability regulations due to a defective product, we shall be entitled to charge the supplier for any damages incurred to us, insofar as the supplier is responsible for the defects. The supplier shall indemnify us against claims for damages by third parties if the defect is attributable to the supplier's area of responsibility.

9.2 Measures which we take in order to prevent product liability damages in such cases to an appropriate and necessary extent shall be reimbursed by the supplier. We shall inform him of the content and scope of such measures and in particular, if a recall campaign is to be carried out. Other legal claims to which we are entitled remain unaffected.

9.3 The supplier shall take out adequate insurance against all product liability risks to which he is exposed and to provide proof of insurance upon request.

9.4 The supplier shall provide deliveries or services free of third-party industrial property rights, especially those for the contractually agreed purposes of use.

9.5 The supplier shall indemnify us against any claims of third parties due to any resulting infringements of industrial property rights and shall reimburse us for all expenses incurred by us due to such claims by third parties if these are based on a culpable breach of duty by him or his vicarious agents.

10. Withdrawal from the contract - compensation

10.1 If the supplier does not fulfil the obligation assumed with the order confirmation or does not fulfil it in accordance with the contract, we may withdraw from the contract and demand compensation for damages instead of performance after the unsuccessful expiry of a reasonable period for performance.

10.2 We shall be especially entitled to withdraw from the contract if the supplier breaches his obligation under clause 13.

10.3 We shall also have the right to withdraw from the contract if the supplier ceases delivery or files for insolvency proceedings.

10.4 The right to extraordinary termination for good cause in the case of continuous obligations remains unaffected.

11. Reservation of title, supplies

11.1 We object to any retention of title regulations and declarations of the supplier which go beyond the simple retention of title.

11.2 Any materials provided by us to the supplier shall remain our property as well as any tools, drawings or other documents provided to the supplier in connection with the conclusion or execution of the contract. Tools provided to the supplier may only be used for the production of the deliveries to be manufactured for us.

11.3 The processing or alteration of tools provided by the supplier is carried out for us. If the provided materials are processed with other goods, we shall acquire co-ownership of a newly created object at the ratio of the value of our provided materials to the other processed objects at the time of processing. If supplies are inseparably mixed with other items not belonging to us, we shall acquire co-ownership of the new item at the ratio of the supplies to the other items at the time of mixing. If the mixing leads to the fact that the supplier's items are to be regarded as the main item in relation to the items provided by us, the supplier shall transfer the co-ownership of the new item to us on a pro rata basis and shall keep it safe for us.

12. Prohibition of assignment

Rights and obligations of the supplier arising from the contract are not assignable or transferable without our written consent. Sect.354a German Commercial Code remains unaffected.

13. Obligation to maintain confidentiality

The supplier is obliged to keep all drawings, plans, illustrations, calculations, models, samples and other documents provided to him confidential, unless they are generally known or are made publicly available. He may only disclose or pass them on to third parties with our express written consent if he has obligated third parties to maintain comparable confidentiality. The supplier shall be liable to us for breaches of contract by commissioned third parties as well as for his own misconduct. The obligation to maintain confidentiality shall continue to apply after the

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termination of the contract. The obligation to maintain confidentiality shall only expire if and insofar as the knowledge contained in the documents provided has become generally known. If the supplier violates this obligation to maintain confidentiality, he is obliged to pay us a contractual penalty. The sum of the contractual penalty is at our reasonable discretion and in the event of a dispute it shall be reviewed by the competent court for its fairness. Further claims shall remain unaffected by this.

14. Place of performance, choice of jurisdiction, place of jurisdiction, miscellaneous

14.1 The place of performance for the supplier's obligations is the shipping address specified in the order.

14.2 The law of the Federal Republic of Germany applies exclusively, excluding the UN Convention on Contracts for the International Sale of Goods.

14.3 The place of jurisdiction is the court responsible for our registered office. However, we are also entitled, at our discretion, to take out legal action against the supplier at his general place of jurisdiction.

14.4 Should any provision of these terms and conditions be ineffective in whole or in part, the effectiveness of the remaining provisions shall remain unaffected. The invalid provision shall then be replaced by a legally permissible provision which achieves the sense and purpose of the provision which is as similar as possible.