Terms and conditions of purchase of DIENES Werke für Maschinenteile GmbH & Co. KG



1. Scope

- 1.1 These terms and conditions of purchase apply to all current and future contracts, deliveries and other services, unless they are changed or excluded with our express written consent. We expressly object to the application of the supplier's general terms and conditions, which shall not become part of the contract in any case, whether we object to them again upon receipt or not. Upon receipt of the goods or services at the latest, our terms and conditions shall be deemed accepted.
- 1.2 These terms and conditions of purchase shall only apply to transactions with companies as defined in section 14 of the German Civil Code, with merchants, provided the contract is part of the usual operation of their business, to transactions with public law entities or with special funds under public law.

2. Offer, acceptance

- 2.1 Offers submitted to us by the supplier must be free of charge and non-binding.
- 2.2 If our order includes drawings or technical specifications, the supplier is obliged to verify them and inform us in case of any discrepancies.
- 2.3 Should the supplier fail to confirm our order within a period of two weeks upon receipt, we are entitled to withdraw the order at any time.

3. Delivery

- 3.1 Delivery is to be effected at the agreed time. The terms and dates of delivery indicated in our order are fixed terms and dates.
- 3.2 In case of any non-compliance therewith, we are entitled to charge lump-sum damages for each whole or partial week by which such term or date is exceeded. However, this shall not apply if the supplier is not responsible for the delay. The lump-sum damages amount to 1% of the invoice amount on average, however, will not exceed 6% of the total order value, unless the supplier is able to prove that the damage actually incurred is lower than that or that no damage incurred at all. This shall not affect our right to assert additional claims for damages.
- 3.3 Delivery will be effected at the supplier's risk and, unless otherwise agreed upon in writing, packed, free from all expenses and at the supplier's expense to our works in Overath. Each delivery must contain a delivery note in duplicate, listing the contents and the order reference. At the same time, the supplier must send us a notification of dispatch.
- 3.4 We do not acknowledge the supplier's reservation of title, except for the simple reservation of title.

4. Payment

- 4.1 The purchase price will be paid upon receipt of delivery, as contractually agreed upon, and upon receipt of the invoice, with 3% discount for payment within 14 days or 60 days net.
- 4.2 Please send us your invoice as a single copy.
- 4.3 We are entitled to set off any counterclaim we may have against the supplier, irrespective of the legal ground, against the claim for the purchase price or any other claims of the supplier, at any time and without limitations. The supplier shall not be entitled to assign the claim for the purchase price without our consent.

5. Warranty, quarantee

- 5.1 The supplier warrants that the goods have the qualities stipulated in the order and comply with current general technical regulations, standards and guidelines and with the applicable employment and accident prevention regulations.
- 5.2 Within the framework of the warranty obligation stipulated in no. 5.1, the supplier guarantees that the goods have the quality stipulated in the contract and are free from defects for a period of two years upon receipt of the goods and/or for a longer period of time we may request in the individual case, by replacing without delay, at the supplier's expense, all parts that become defective or unusable due to defects in material, workmanship or construction. This includes the costs for the exchange of these parts and all incidental costs. Should a defect as described above incur during the warranty period, we are entitled to demand, in our sole discretion, replacement delivery, rectification or a reduction in price. Should replacement delivery or rectification fail two times, we are entitled to claim damages or to rescind the contract instead.
- 5.3 If the delivered item is combined with other items, including if it is installed in groups of assets, the supplier will also be liable for any damage caused to such group of assets by such delivered item.
- 5.4 In case of defects that do not show before the item is processed or put into operation, we are entitled to demand compensation for futile costs of material, wages and other costs.
- 5.5 The supplier guarantees that the delivered goods are free from third-party rights and do not violate any third-party industrial property or other rights. The supplier indemnifies us from and against any third-party claims based on the violation of such third party's rights to

the goods or based on a violation of such third party's industrial property rights caused by the goods.

- 5.6 In addition, the supplier's liability shall be in accordance with general principles, including without limitation the principles of manufacturer's liability for any damage directly or indirectly caused by the delivery of a defective item and exceeding the mere defect in quality.
- 5.7 Any defect we do not detect during spot checks are considered hidden defects. Payment of the purchase price does not mean that we accept the delivery as being free from defects. In case of any differences in weight or number of items, our results are binding. We will store defective goods at the supplier's risk and expense until the defect is remedied
- 5.8 The claims stipulated in this no. 5 shall become statute-barred in accordance with general statutory provisions

6. Documents, confidentiality

- 6.1 The drawings, descriptions, templates and other documents and any other information we make available to the supplier must be treated with strict confidence and must not be disclosed to any third party. This includes, without limitation, any drawings and other documents the supplier makes or instructs third parties to make based on information provided by us. These documents must not be copied or disclosed to any third party.
- 6.2 Any and all documents and written information remain our property and must be returned to us completely, including any copies thereof, upon request and at any time, but together with the last delivery at the latest. Any right of retention shall be excluded.
- 6.3 The documents and information must not be used for any purpose other than the production of the goods we ordered. They must not be used to produce goods for the supplier's own use or that of a third party or to sell goods to third parties.

7. Tools, dies, models

- 7.1 The supplier shall be obliged to store with due care and free of charge any tools, dies, models, etc. provided by us (hereinafter referred to as "Tools"). The risk of perishing, of damage and of loss will pass to the supplier upon delivery. The supplier is obliged to take out insurance for the Tools against these risks.
- 7.2 The supplier agrees that any Tools the supplier manufactures or purchases for us and for which we pay the costs, will become our property upon manufacture or delivery. The supplier will store them for us free of charge in accordance with no. 7.1 and such storage shall be deemed to be delivery.
- 7.3 In addition, the provisions contained in no. 6 shall apply mutatis mutandis to Tools.

8. Materials provided by us

- 8.1 Any materials we provide to the supplier for the execution of our order shall remain our property. They will be processed in our name as the manufacturer in accordance with section 950 of the German Civil Code. If our materials are blended or connected with other items and our property rights cease to exist, we agree at the time the order is placed that the supplier's ownership or co-ownership rights to the blended item or to the uniform item are transferred to us at a ratio corresponding to the ratio between the value of the order and the value of the total item.
- 8.2 The risk of perishing, of damage and of loss of materials provided by us will pass to the supplier upon delivery.
- 8.3 The supplier must inform us without delay of any impairment (e.g. pledge, damage) of our property. The supplier must inform third parties of our property rights without delay.

9. Severability

Should any individual provisions of these terms and conditions of purchase be ineffective in whole or in part, this shall not affect the effectiveness of the remaining provisions hereof. Such ineffective provision shall be replaced by statutory regulations.

10. Place of performance, place of jurisdiction, applicable law

10.1 Place of performance for any disputes between us and the supplier arising out of or in connection with this contract is 51491 Overath-Vilkerath.

10.2 Place of jurisdiction for any disputes arising out of this contract is 51491 Overath-Vilkerath. However, we shall be entitled to file an action against the supplier at its general place of jurisdiction.

10.3 The law of the Federal Republic of Germany shall apply. The UN Sales Convention shall be excluded.

Version: 2017/07/26