

General Conditions of Purchase

of Verbindungselemente Engel GmbH, 88250 Weingarten, HRB 550520

Version January 2022

§ 1 Applicability

1. These General Conditions of Purchase shall apply to all - including future - orders within the scope of purchase and work supply contracts and their execution vis-à-vis companies within the meaning of Section 14 (1) of the German Civil Code (BGB). We do not recognise any terms and conditions of the supplier that conflict with or deviate from these General Conditions of Purchase, unless otherwise stipulated in these General Conditions of Purchase or in the contract with the supplier. If we accept the goods without express objection, it can in no case be inferred from this that we have accepted the supplier's conditions.
2. A written contract or our written confirmation shall be authoritative for the content of verbal agreements made by our employees, subject to proof to the contrary.
3. The preparation of offers is free of charge and non-binding for us.

§ 2 Order confirmation and offer documents

1. Orders issued by us by machine are also valid without signature.
2. Orders are legally binding if they have been properly placed on our order forms. Each order must be confirmed in writing by the supplier within 8 days of receipt of the order, stating our order data and the delivery time, or in particular must be executed without reservation by dispatch of the goods (acceptance).
3. The supplier must ensure that our order data are stated on all other documents relating to the order (delivery note, invoice).
4. We reserve the property rights and copyrights to illustrations, drawings, calculations and other documents as well as models. Even if the supplier has produced them himself according to our specifications, they may not be further utilised, reproduced or made accessible to third parties without our written consent, but must be kept secret. They are to be used exclusively for the execution of our order and are to be returned to us unsolicited after the order has been processed.
5. The supplier is only permitted to refer to business connections with us in his advertising materials with our express written consent.
6. If it becomes known that the supplier has suspended payments or if insolvency proceedings are applied for against him, we shall be entitled to withdraw from the contract in whole or in part.

§ 3 Prices

1. The agreed prices are fixed prices.
2. If the statutory value added tax is not shown separately in the order confirmation or invoice, it is included in the price. In the absence of any written agreement to the contrary, the price for delivery "free domicile" shall include freight and packaging costs. If the supplier uses disposable pallets despite a contrary agreement, we shall dispose of them at the supplier's expense.
3. Invoices must be submitted separately immediately after delivery of the goods, i.e. not enclosed with the shipment. Packing lists as well as agreed information and documents, such as in particular initial sample test reports, works certificates, etc., must be enclosed with the invoices. Value added tax must be shown separately on all invoices. All invoices must contain our order number and the name of our dispatcher.

§ 4 Terms of payment

1. Unless otherwise agreed, invoices shall be paid within 14 days less 3% discount or within 30 days net.
2. Payment and discount periods shall run from receipt of the invoice, but not before receipt of the goods or, in the case of services, not before their acceptance and, if documentation, test

certificates (e.g. works certificates) or similar documents are part of the scope of services, not before they have been handed over to us in accordance with the contract.

3. We use a means of payment of our choice. This also includes promissory notes and customer bills of exchange with a term of up to 3 months. In the case of payment in promissory notes or customer bills of exchange, we shall bear the bill discount, calculated according to the status on the day the bill is handed over, as well as the bill tax. In the case of payments by cheque or bank transfer, payment shall be deemed to have been made on time if the cheque has been sent by post on the due date or the bank transfer has been ordered from the bank on the due date.

4. Interest on arrears cannot be demanded. The default interest rate is 5 percentage points above the base interest rate. In any case we are entitled to prove a lower damage caused by default than demanded by the supplier.

5 We shall be entitled to rights of set-off and retention to the extent provided by law.

§ 5 Delivery Periods/Delay in Delivery

1. The delivery time stated in our order is binding. Impending delays in delivery are to be notified to us immediately in text form. At the same time, suitable countermeasures to avert the consequences shall be proposed to us. We are entitled to reject services before the agreed delivery date at the supplier's expense. If the goods are not rejected, they shall be stored by us at the supplier's expense and risk until the agreed delivery date. In the event of premature delivery, we shall be entitled to make payment for the goods on the basis of the agreed delivery date and taking into account the agreed payment period.

2. The receipt of the goods at the place of receipt or use specified by us shall be decisive for compliance with the delivery date or the delivery period, unless otherwise agreed in text form.

3. If the supplier is in default of delivery, we are entitled to demand a contractual penalty of 0.1% of the delivery value per calendar day of delayed delivery, but no more than 5% of the delivery value. We are also entitled to claim a contractual penalty in addition to performance. In this case, it shall suffice if we assert the reservation of the contractual penalty against the supplier within 14 days after receipt of the delayed delivery or even later by means of a corresponding invoice deduction. We are entitled to assert the damage resulting from the delay which exceeds the amount of the forfeited contractual penalty.

4. In addition, we shall be entitled to all statutory claims in the event of a delay in delivery. In particular, we shall be entitled to withdraw from the contract after granting a reasonable period of grace, taking into account the forfeited contractual penalty, and to claim damages in lieu of performance.

5. If a calendar week has been agreed as the delivery date, the goods must be delivered to us no later than the close of business on Friday of the calendar week in question.

6. The supplier may only invoke the absence of necessary documents to be supplied by us if he has not received the documents even after a reminder in text form.

§ 6 Execution of the delivery, packaging and transfer of risk

1. The risks of delivery shall not pass to us until delivery has been made and unloaded at our premises in Weingarten or at the premises of our branch, if this is the recipient of the goods, or at the agreed place of delivery or use.

2. We accept partial deliveries only after express agreement. Remaining residual quantities are to be notified to us with the partial delivery.

3. Excess or short deliveries of up to 10% are permitted.

4. Unless otherwise agreed in writing, shipping and packaging costs, transport insurance costs, fees, taxes and other costs associated with transport shall be borne by the supplier. Insofar as we bear the freight costs in individual cases, we reserve the right to appoint the freight forwarder. In any case, shipment shall be effected by the least expensive means. The obligation to take back the packaging is governed by the Packaging Act of 05.07.2017 with the proviso that the return shall always take place at our registered office, unless otherwise agreed. The costs for the return transport and the disposal of the packaging shall in any case be borne by the supplier.

5. Each delivery must be accompanied by a delivery note and packing list with corresponding details of the contents and the place of receipt. If the supplier fails to do so, delays in processing are unavoidable for which we are not responsible.
6. Damages that occur as a result of improper packaging or for other reasons during transport shall be borne by the supplier insofar as they are not compensated by the carrier. The supplier shall bear the costs and risk of returning defective delivery items.
7. The type of packaging must be agreed with us and the goods must be clearly marked.

§ 7 Warranty and limitation period

1. The supplier shall provide us with the goods free of material defects and defects of title. In particular, he must guarantee that his deliveries and services comply with the recognised rules of technology, the contractually agreed properties and the applicable DIN standards, have the necessary official approval and are quality-controlled, insofar as quality seals are awarded.
2. We are obliged to inspect the goods for any deviations in quality or quantity within a reasonable period of time. Notification of defects shall be deemed to be in due time if it is established in accordance with the circumstances of a proper course of business and is received by the supplier by letter, fax, e-mail or telephone within 10 working days. The period for notifying defects shall commence at the time at which we - or, in the case of drop shipment, our customer - have detected or should have detected the defect.
3. In the event of defects in the goods, we shall be entitled to demand, at our discretion, rectification of the defects identified or replacement delivery. If the supplier is not in a position to do so within a reasonable period of grace set by us or if he refuses subsequent performance, we shall be entitled to remedy the defect ourselves and to demand compensation from the supplier for the applications required for this purpose or a corresponding advance payment or to procure a replacement. If the supplementary performance by the supplier has failed or is unreasonable for us, no deadline needs to be set. We shall inform the supplier of such circumstances without delay, if possible in advance.
4. The supplier shall indemnify us against claims of our customers which we incur due to the defectiveness of the delivered goods if the defectiveness already existed at the time of the transfer of risk to us. This includes in particular claims for reimbursement of the costs incurred by us and our customers as a result of the defectiveness, in particular transport, travel, labour and material costs. The supplier is entitled to refuse the type of supplementary performance chosen by us under the conditions of § 439 para.3 BGB.
5. For all goods, a warranty period of 36 months from receipt of delivery applies, unless otherwise agreed or unless the law provides for longer periods.

§ 8 Product liability, recall and product liability insurance

1. If a claim is made against us on the basis of product liability, the supplier shall indemnify us against all claims if and insofar as the damage is based on a defect in the goods delivered by the supplier and the supplier is at fault - in the case of liability based on fault. The supplier shall bear the necessary costs and expenses of a recall action caused by the defect.
2. The supplier undertakes to take out product liability insurance in an appropriate amount for the duration of the business relationship, which also covers the recall risk of defective goods. The supplier is obliged to provide us with evidence of the scope and confirmation of the insurance in a suitable form upon request.

§ 9 Declaration of originating status

1. At our request, the supplier shall provide us with a supplier's declaration on the preferential origin of the goods.
2. In the event that the supplier makes declarations concerning the preferential or non-preferential originating status of the goods sold, the following shall apply:
 - a) The supplier undertakes to enable the verification of proofs of origin by the customs administration and to provide both the information required for this purpose and any necessary confirmations.

b) The supplier is obliged to compensate for the damage caused by the fact that the declared origin is not recognised by the competent authority as a result of incorrect certification or the lack of the possibility of verification, unless he is not responsible for these consequences.

§ 10 Industrial property rights

1. The supplier guarantees that no rights of third parties are infringed in connection with his delivery.
2. If claims are asserted against us by third parties for this reason, the supplier shall be obliged to indemnify us against these claims upon first written request.

§ 11 Minimum Wage Act

1. The contractor is obliged to pay the minimum wage in accordance with § 20 Minimum Wage Act (MiLoG) to his employees employed by him in the territory of the Federal Republic of Germany in due time in the sense of § 2 MiLoG.
2. In accordance with Section 17 of the German Minimum Wage Act (MiLoG), the beginning, end and duration of the daily working time of its employees must be recorded at the latest by the end of the seventh calendar day following the day on which the work is performed and this record must be kept for at least two years, starting from the time relevant for the recording.
3. In accordance with Section 16 MiLoG, as an employer based abroad, submit a written notification in German to the competent authority of the customs administration prior to the commencement of a work performance. Valid legal ordinances on the obligation to register in accordance with § 16 MiLoG can be applied.

§ 12 Retention of title

1. With regard to the supplier's rights of retention of title, the supplier's terms and conditions shall apply with the proviso that ownership of the goods shall pass to us upon payment thereof and, accordingly, the extension form of the so-called current account reservation shall not apply.
2. On the basis of the retention of title, the supplier can only demand the return of the goods if he has previously withdrawn from the contract.

§ 13 Assignment

The assignment of claims arising from the delivery relationship requires our express consent.

§ 14 Secrecy

The Supplier undertakes to keep all illustrations, drawings, samples, calculations and other documents received from the Purchaser strictly confidential and to use them only for the contractual purposes. Any reproduction or disclosure of this information to third parties without the express written consent of the Purchaser is strictly prohibited. The obligation to maintain secrecy shall also apply after completion of the contract.

§ 15 Final provisions, applicable version

1. Unless otherwise agreed, the place of performance for the delivery shall be our registered office in Weingarten.
2. The place of jurisdiction is our registered office. We may also sue the supplier at his place of jurisdiction.
3. All legal relations with the Supplier shall be governed exclusively by the law of the Federal Republic of Germany, to the exclusion of unified international law and the UN Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980.
4. With the establishment of the business relationship, we process and store personal data that are necessary for the implementation of the business relationship, in accordance with the requirements of the DSGVO.
5. In cases of doubt, the German version of these General Conditions of Purchase shall apply.