

General terms and conditions of purchase

as of 1st October 2019

– Preamble –

These general terms and conditions of purchase are used by the following companies in the GEDORE Group:

GEDORE-Werkzeugfabrik GmbH & Co. KG

GEDORE Handwerks- und Industriebedarf GmbH

Dowidat Immobilien GmbH & Co. KG

GEDORE GmbH (all with their registered office in Remscheid)

GEDORE Automotive GmbH (Registered office: Donaueschingen)

GEDORE Torque Solutions GmbH (Registered office: Vaihingen an der Enz)

1. Scope of application

- 1.1 Our general terms and conditions of purchase apply to all commercial relations with our contractors exclusively; we do not accept contradictory terms or terms of the contractor which deviate from our general terms and conditions of purchase, unless we have explicitly consented in writing to their validity. Our general terms and conditions of purchase also apply if we accept the contractor's delivery without reservation in the knowledge of contradictory terms or terms of the contractor which deviate from our general terms and conditions of purchase.
- 1.2 Our general terms and conditions of purchase only apply in relation to contractors (section 14 BGB [German Civil Code]), legal entities under public law and public law special funds.

2. Enquiry, quotation

- 2.1 These general terms and conditions of purchase also apply to enquiries from our side. Our enquiries are non-binding.
- 2.2 In the quotation, the contractor must adhere exactly to the specification and wording of our enquiry. Express reference must be made to deviations. Quotations shall be prepared free of charge.

3. Purchase order

- 3.1 Our purchase orders are deemed to be binding only with a written declaration or confirmation.
- 3.2 Unless we have explicitly waived an order confirmation, every purchase order must be confirmed to us within three (3) business days by order confirmation (only by email) stating the binding delivery time. A late or supplementary acceptance of our purchase order shall be deemed to be a new quotation and requires our acceptance.

4. Prices, invoicing, payment terms

- 4.1 The prices stated in the purchase order are binding. If no prices are stated, the contractor's current list prices shall apply, with the customary trade discounts.
- 4.2 Unless something different is agreed in a given case, the price shall include all services and ancillary services of the contractor (e.g. assembly and installation) as well as all ancillary costs (e.g. proper packaging and transport costs).
- 4.3 We decline SLVS insurance (forwarding, logistics and warehouse insurance policy); we therefore do not reimburse any of the corresponding insurance premiums/costs of the contractor.
- 4.4 The contractor shall take back packaging materials at our request.
- 4.5 After delivery/performance, invoices are to be sent in electronic form (preferably pdf) to the agreed e-mail address. Agreed payment terms and discount periods shall commence after acceptance of the delivery or performance, provided that acceptance has been agreed, and after receipt of a verifiable invoice giving entitlement to deduction of input tax. In each case the later date shall always be decisive.
- 4.6 The contractor shall be obliged to quote the purchase order details (supplier number, order number, order date) on the invoice. If this obligation is not met and processing by us is delayed in the course of our normal business operations as a result, then the payment terms stated below shall be extended accordingly.
- 4.7 Unless otherwise agreed, payments shall be made within 45 days with a 3% discount, or within 90 days net. Our payments shall be deemed to be punctual provided that our transfer order is received by our bank before the payment deadline has expired.
- 4.8 We shall not owe any maturity interest. Statutory regulations shall apply for the commencement of our default, though in each instance a reminder from the contractor is required.

5. Offsetting, right of retention, assignment

- 5.1 We shall be due rights of set-off and retention to the statutory extent.
- 5.2 The contractor may only claim rights of set-off and retention if its claim is uncontested, recognised or established by law.

- 5.3 The assignment of claims against us requires our explicit consent.

6. Delivery dates

- 6.1 The delivery dates stated in the purchase order are binding. If the delivery time has not been specified in the purchase order and has not been otherwise agreed, then it shall be one week from conclusion of the contract.
- 6.2 The contractor shall be obliged to inform us immediately in writing if circumstances occur from which it ensues, or it becomes apparent to the contractor, that the agreed deadline cannot be met. This shall not affect the obligation to adhere to the agreed deadlines.

7. Delay to delivery

- 7.1 We shall be entitled to the statutory rights in the event of delays to delivery. In particular, after an appropriate period has abortively expired, we shall be entitled to claim compensation in lieu of performance and cancellation of the contract.
- 7.2 In the event of delay to delivery, we shall be entitled to claim liquidated delay damages amounting to 1% of the net price for each full week of delay, but not more than 5% of the net price of the delayed goods. We shall reserve the right to assert any further statutory claims, taking the liquidated damages into account. The contractor shall be entitled to prove to us that no loss or only minimal loss was suffered as a result of the delay. The fixed sum shall then be reduced accordingly.

8. Documents, packaging

- 8.1 The contractor shall be obliged to quote the order details (supplier number, order number, order date) on all shipping documents and delivery notes. If the contractor omits these, we shall not be responsible for the processing delays incurred as a result; the contractor may be invoiced for additional expense incurred.
- 8.2 Deliveries must be packaged according to the current statutory regulations. In the case of supply of hazardous goods, all product information, in particular safety data sheets, must be transmitted to us in good time before the delivery and additionally enclosed with the shipment.

9. Delivery

- 9.1 Delivery shall be effected DDP (pursuant to Incoterms 2010 or the current version), unless something different has been agreed. The place of performance shall be the receiving plant named by GEDORE in the order (fulfilment obligation).
- 9.2 Provided that no other agreement is reached, risk shall be transferred to us upon delivery of the goods to the agreed place of receipt. If acceptance has been agreed, this shall be decisive for the transfer of risk.
- 9.3 The contractor shall only be authorised to make partial deliveries/render part performance with our permission. In the event of partial deliveries/performance that have not been agreed, we shall be entitled to invoice the additional expense incurred to the contractor.

10. Execution, safety and quality

The delivery/performance must meet the agreed specifications and comply with the recognised state of the art, the respective applicable statutory and official regulations, and our operational rules and regulations.

11. Environment, health and safety

- 11.1 The contractor shall ensure that its deliveries and services meet the requirements of all relevant occupational safety and accident prevention regulations, as well as the regulations of the responsible employers' liability insurance association.
- 11.2 The contractor shall ensure that the products and services it delivers meet all relevant environmental protection regulations, in particular the directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive), the regulation concerning the registration, evaluation, authorisation and restriction of chemicals (REACH Regulation), the law governing the sale, return and environmentally sound disposal of electrical and electronic equipment (ElektroG), the regulation on the classification, labelling and packaging of chemicals (CLP Regulation) and the directive on waste electrical and electronic equipment (WEEE Directive).
- 11.3 The contractor shall make current proof of the supplied items' freedom from hazardous substances available to us free of charge on request.

12. Weights/quantities

- 12.1 The weight specified by the client at report of receipt shall apply in the event of deviations in weight. This shall also apply by analogy to quantities.
- 12.2 Short weights and/or quantities shall lead to an appropriate reduction in the invoice.
- 12.3 Delivery surpluses of +3% shall be accepted. Delivery shortfalls will not be accepted.

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13. Inspection, notification of defects – warranty, liability

131 Section 377 HGB [German Commercial Code] shall apply to our commercial obligation of inspection and notification of defects, with the following proviso: we shall check the supplied goods immediately upon receipt with regard to type, quantity and visible damage, in particular transport damage, and shall report any defects found immediately. Defects found at a later date shall be reported as soon as they are found. The complaint is deemed to be prompt and timely provided it is received by the contractor within a period of five (5) business days calculated from receipt of the goods or, in the event of hidden defects, from discovery.

132 With regard to our rights in case of material defects and defects of title of the goods (including incorrect and short delivery, incorrect installation and inadequate installation or operating instructions) and in case of any other breaches of obligation by the contractor, statutory regulations shall apply unless stipulated otherwise below.

133 The contractor shall bear its own costs for inspection and improvement (including any installation and removal costs). This shall also apply if it turns out that no defect was actually present. In the event that a request by us to remedy defects turns out to be unjustified, we shall only be liable for damages if we have realised or, as a result of gross negligence, have not realised that no defect existed.

134 If the contractor does not fulfil its obligation for supplementary performance within an appropriate period of time stipulated by us, we shall be entitled to remedy the defect ourselves and claim compensation for the costs incurred by this or request a commensurate advance payment from the contractor. If the contractor refuses to undertake supplementary performance or if performance must be undertaken at a specific time or the supplementary performance by the contractor has failed or is unacceptable to us (e.g. owing to particular urgency, a threat to operational safety or imminent occurrence of excessive damages) then no deadline shall be required; the contractor shall be informed immediately, if possible in advance.

14. First article inspection

The client shall bear the cost of quality inspection of the first article presented (first article inspection). Should other article inspections be required due to defects (repeat inspections), the contractor shall bear the inspection costs. The contractor shall be entitled to issue of a first article inspection report or a test report for repeat inspections.

15. Supplier regress

Our legally determined recourse claims within a supply chain (supplier recourse in accordance with §§ 445a, 445b, 478 BGB) are entitled to us without restriction in addition to the claims based on defects. In particular, we shall be entitled to demand from the Contractor exactly the type of subsequent performance (repair or replacement) which we owe to our customer in the individual case. Our legal right to choose (§ 439 Abs. 1 BGB) is not restricted by this.

151 Our claims arising from supplier recourse shall also apply if the goods have been further processed by us or one of our customers prior to their sale, e.g. by installation in another product.

16. Retention of title, provision of tools

161 Title to goods shall be transferred to us unconditionally and regardless of whether the purchase price has been paid. If in a given case we accept an offer from the contractor which is contingent upon payment of the purchase price upon transfer of title, retention of title by the contractor shall apply only if the contractor refers to our payment obligation for the products for which the contractor reserves the title. In that case, we shall be authorised to resell the goods in the course of normal business even prior to payment of the purchase price by advance assignment of the resulting claim. Retentions of title shall not be augmented, transferred or extended for further processing.

162 We shall retain title to parts if we provide the contractor with the parts. The contractor shall undertake processing or alteration for us. If our goods which are subject to retention of title are processed with other items not belonging to us, we shall acquire joint title to the new item to the value of our item (purchase price plus VAT) in proportion to the other items processed at the time of processing.

163 If the item provided by us is inseparably mixed with other items not belonging to us, we shall acquire joint title to the new item in the proportion of the value of the item subject to retention of title (purchase price plus VAT) to the other items in the mix at the time of mixing. If mixing takes place such that the contractor's item is to be regarded as the main item, it shall be deemed to have been agreed that the contractor shall transfer proportional joint title to us; the contractor shall retain sole title or joint title for us.

164 We shall retain title to the tools provided by us. The contractor shall undertake to use the tools solely for the production of the goods ordered by us and to return these to us upon completion of the work for us; this obligation to return upon completion of all work for us shall apply to subsequent orders. The contractor shall be obliged to insure at its expense the tools belonging to us for their replacement with new tools against fire

and water damage and theft. The contractor hereby simultaneously assigns to us all claims for indemnity under this insurance; we hereby accept the assignment. The contractor shall be obliged to carry out any maintenance and inspection work on our tools that may be required and to carry out all maintenance and repair work in good time, at its expense. The contractor must immediately notify us of any incidents; compensation claims shall not be affected if the contractor culpably fails to do this.

165 The contractor shall retain our property with due diligence, and shall be obliged to notify us in the event that third parties access our property and to inform us immediately if a third-party lien is produced or such a measure is imminent. This shall also apply to goods for which we have already paid but which are still in storage with the contractor, which, as our property, must be insured at the contractor's expense against all risks.

17. Product liability, discharge, third-party liability insurance

171 If the contractor is responsible for product damage, it shall be obliged to discharge us from third-party compensation claims in this respect when first requested, so that the cause is placed within its sphere of control and organisation and the contractor itself is liable within the third-party relationship.

172 Within the scope of its liability for losses within the terms of para. (1), the contractor shall also be obliged to reimburse any expenditure pursuant to sections 683, 670 BGB or sections 830, 840, 426 BGB arising from or in connection with a third-party claim. Other statutory claims shall not be affected.

173 The contractor shall also undertake to bear the costs of preventative measures as well as damages incurred by this if the cause of the preventative measure is placed within the contractor's sphere of control and organisation and the contractor itself is liable within the third-party relationship. We shall inform the contractor before preventative measures are implemented – insofar as is reasonably possible – regarding the reason for, type and scope of the measure and shall give it the opportunity to respond. Preventative measures are measures that relate not only to individual defective products of ours, but to a large number of products of ours, in particular recalls and retrofitting measures.

174 The contractor shall undertake to maintain product liability insurance with cover of 10 million euros per personal injury/property damage/financial loss claim (combined single limit) and to prove this to us on request by producing a copy of the corresponding policy; if we are due other claims to compensation, these shall be unaffected.

18. Industrial property rights

181 The contractor shall be liable for ensuring that patents and/or other third-party intellectual property rights are not violated by its delivery or by the intended use of the delivered goods and/or of the work produced. The contractor shall undertake to discharge us from any third-party claims owing to a violation of these rights and shall otherwise hold us harmless. This shall not apply if the contractor is not responsible for the rights violation in question.

182 We shall not be authorised to reach any agreements whatsoever with the third party, in particular to reach a settlement, without prior information from the contractor.

183 The contractor's duty of discharge relates to all expenditure which we incur arising from or in connection with recourse to us by a third party.

19. Advertising material

The contractor is permitted to

- make references to items produced for the GEDORE Group in advertising material and other publications;
- make references to the business relationship with the client and/or the GEDORE Group as a whole or mention these names as references;
- place on show the parts produced for the GEDORE Group (including semi-finished parts) at trade fairs and similar events,

only with our prior written permission.

20. Production documents, confidentiality

201 We shall retain title and intellectual property rights to all illustrations, drawings, calculations and other documentation; third parties must not be given access to them without our explicit permission in writing. They must be used solely for production on the basis of our orders; following cessation of the business relationship, they and any copies must be voluntarily returned to us.

202 The contractor shall undertake to treat all technical and commercial documents consigned to it as strictly confidential and shall oblige its employees and subcontractors to do likewise. The obligation of confidentiality shall not apply if the information is already commonly known or was already known to the contractor verifiably before it was communicated by us. The same applies if

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the information becomes commonly known following disclosure without a breach of contract, if the information becomes known to the contractor via third parties without these third parties having breached an obligation of confidentiality, if the information is generated by the contractor independently of the information communicated by us or if the information is publicly disclosed by us or must be disclosed on the basis of statutory regulations. In the event of infringement, we shall be entitled to compensation.

203 The specialists and subcontractors engaged by the contractor shall not be deemed third parties if they have been bound to confidential use in respect of the contractor in the same way.

21. Origin of goods, preferences, regulations governing the international movement of goods

21.1 Documents requested by us under foreign trade law, in particular proofs of origin and supplier's declarations, shall be provided by the contractor with all of the necessary information and made available to us duly signed and free of charge.

21.2 The contractor shall undertake to check whether its products are subject to prohibitions, restrictions and/or approval obligations within the international movement of goods (e. g. with regard to the export list, dual use regulation, US re-export regulations, etc.) and accordingly, as applicable, clearly identify these with clear details in its quotations, order confirmations and all documents accompanying the goods.

21.3 In the event of failure to fulfil these obligations, the contractor shall be liable for any loss potentially incurred by us as a result, including subsequent claims for foreign import taxes, fines and the like.

22. Limitation period

22.1 The mutual claims of the contracting parties shall lapse in accordance with statutory regulations, unless stipulated otherwise below.

22.2 By way of derogation from sections 438 para. 1 no. 3 and 634 a para. 1 no. 1 BGB, the general limitation period for claims concerning material defects or defects of title shall be three (3) years from transfer of risk. If acceptance has been agreed, then the limitation period shall begin upon acceptance. Longer statutory limitation periods relating to defects shall not be affected. This shall apply in particular to claims relating to defects that consist in a third-party right in rem, based on which return of the purchase item can be demanded, or in another law which is entered in the land register (section 438 para. 1 no. 1 BGB) and to claims relating to defects in a building or defects in products which have been used for a building in accordance with their customary use and which have caused the defectiveness of the building, or defects in a service whose success consists in planning or surveillance services for a building (sections 438 para. 1 no. 2 and 634 a para. 1 no. 2 BGB).

22.3 Provided we have a right of redress against the contractor based on the supplier regress (sections 445a and 478 BGB), section 445b BGB shall apply to the limitation period of the right of redress, though the limitation period shall not expire before expiry of the period stipulated in item 22.2.

22.4 In the event that a defect is fraudulently concealed by the contractor (sections 438 para. 3 and 634 a para. 3 BGB) and provided that we are entitled to competing contractual and/or non-contractual claims for damages relating to a defect, the regular statutory limitation period shall apply to this (sections 195 and 199 BGB), though the limitation period shall not expire before expiry of the period stipulated in item 22.2. The statutory limitation periods pursuant to the product liability act shall remain unaffected in any case.

23. Place of jurisdiction

The place of performance shall be the receiving plant named by GEDORE in the order.

24. Gerichtstand

Sofern der AN Kaufmann, juristische Person des öffentlichen Rechts oder öffentlich-rechtliches Sondervermögen ist, ist für alle aus dem Vertragsverhältnis sich mittelbar oder unmittelbar ergebenden Streitigkeiten Gerichtsstand unser Geschäftssitz in Remscheid. Darüber hinaus sind wir berechtigt, vor dem Gericht zu klagen, das am Sitz des AN zuständig ist.

25. Applicable law

The law of the Federal Republic of Germany shall apply. Application of the CISG (Convention on Contracts for the International Sale of Goods) is excluded.

26. Severability clause

Should a provision in these general terms and conditions of purchase or a provision within the scope of any other agreements be or become invalid, this shall not affect the validity of any other provisions or agreements.