

Terms and conditions of purchase

for the H. D. Lenzen GmbH & Co. KG

§ 1

Scope

1. The following terms and conditions only apply vis-à-vis entrepreneurs as defined in sections 14, 310 German Civil Code [BGB]
2. The following terms and conditions apply to all our contracts and orders, to all deliveries and other services purchased by us, unless they are changed or excluded with our express written consent. They apply likewise in particular if our contractual partner performs their deliveries or services on deviating terms with our knowledge. General terms and conditions of our contractual partner shall only apply if we confirm their application in writing.
3. Our terms and conditions shall also apply to all future contracts and orders, even if our contractual partner is not notified of their validity again in connection with our order.

§ 2

Offers and conclusion of contracts

1. If our contractual partner does not accept our orders within one week of receipt, we are no longer bound by the order.
2. All our orders, ancillary agreements and assurances are only binding if made in writing.
3. All agreements between us and our contractual partner must be set out in writing when the contract is concluded. All agreements - even if they are made later - only become effective upon our written confirmation, in this respect the power of attorney granted to our employees or representatives is limited.
4. Commercial letters of confirmation from our contractual partner shall not result in the conclusion of a contract with content deviating from our order and our other written declarations, even without our objection.

§ 3

Written form clause

Insofar as written form is provided for in these conditions, it shall also be ensured by sending corresponding declarations by fax or e-mail. A written agreement shall also be deemed to have been concluded if we and our contractual partner make declarations in writing which correspond in content.

§ 4**Prices, payment**

1. The agreed price includes VAT, packaging and delivery carriage paid.
2. We only pay upon receipt of an invoice stating our order and article number.
3. We pay within 14 days after receipt of delivery and proper invoice applying a 3% discount or within 30 days after receipt of delivery and invoice without deduction.
4. We are only obliged to return the packaging on the basis of a special written agreement. If a separate price has been agreed for reusable packaging, our contractual partner shall reimburse us 2/3 of this packaging price if we return the packaging carriage paid.

§ 5**Offset, right of retention**

We may in any case offset counterclaims to which we are entitled under the statutory requirements and exercise the right of retention.

§ 6**Delivery and passage of risk**

In any case, the risk of performance and price shall only pass to us upon receipt of the goods and services by us or the receiving point designated by us.

§ 7**Delivery dates, call-offs, liability in case of delay**

1. Agreed dates and deadlines are binding. The receipt of the goods by us is decisive for compliance.
2. Our delivery call-offs become binding at the latest if our contractual partner does not object to them within 10 days after receipt.
3. Our contractual partner must notify us in writing of any delays in delivery, stating the reasons and the alleged duration, as soon as they may expect a delay in delivery.
4. If delivery is delayed by more than one month due to a force majeure event, we may withdraw from the contract after a further grace period of at least two weeks set by us has expired without result.

5. If our contractual partner is in default of delivery, we are entitled to demand lump-sum default damages in the amount of 3% of the delivery/service value of the good/service with which our contractual partner is in default per complete week of default, but not more than 12% of the value in total. This is without prejudice to additional claims. Both parties are entitled to prove that a lower or higher loss has been incurred as a result of the delay. In the event of lower proven damages, we are only entitled to assert such lower amount. In the event of higher proven damages, we are entitled to claim such higher amount.

§ 8

Shipping, documents

1. Deliveries by our contractual partner must be made carriage paid.
2. Our contractual partner is obliged to state our order and article number on all shipping documents and delivery notes.

§ 9

Models, drawings and samples

1. Illustrations, drawings, calculations, models, templates, samples or similar objects remain our property in any case and may not be transferred or otherwise made accessible to third parties without our consent. They are to be used exclusively for production on the basis of the contractual relationship with us; they are to be returned to us without being asked. They must be kept secret from third parties.
2. Tools provided by us remain our property; our contractual partner is obliged to use them exclusively for the production of the goods ordered by us. Furthermore, they are obliged to clearly mark the tools belonging to us as our property and to insure them at replacement value at their own expense against fire, water and theft damage. Our contractual partner hereby assigns to us all claims for compensation arising from this insurance; we accept the assignment. Our contractual partner is obliged to carry out any necessary maintenance and inspection work on our tools as well as all maintenance and repair work at their own expense on a timely basis. They must notify us immediately of any malfunctions.
3. Our contractual partner must oblige their subcontractors in accordance with the above paragraphs 1 and 2.

§ 10

Materials

1. If we provide our supplier with parts or materials, we reserve title thereto. Our contractual partner must clearly mark such parts or materials as our property.

2. Processing or transformation of such parts or materials by the contractual partner shall take place for us; we shall acquire co-ownership of the new item in proportion to the value of the items provided by us to the other processed items at the time of processing.
3. If items provided by us are inseparably mixed with other items not belonging to us, we shall acquire co-ownership of the new item in proportion to the value of the item provided by us to the other mixed items at the time of mixing.
4. Our contractual partner shall safeguard items on our behalf in which we have a co-ownership interest.

§ 11

Quality assurance, quality of goods, inspection and notification of defects, liability for defects

1. Deliveries and services of our contractual partner must correspond to the respective agreed specifications, the respectively valid legal and professional association regulations, the accident prevention regulations as well as the respective state of the art. Our contractual partner is obliged to comply with the applicable laws and regulations of the European Union and the Federal Republic of Germany for their deliveries/services. This applies in particular to the Reach regulation (order EC number 1907/2006), the law on electronic devices (ElektroG) as national implementation of EC directive 2002/95 and EC directive 2002/96, and the End-of-Life Vehicles law as national implementation of EC directive 2002/52.
Our contractual partner shall inform us immediately if changes to the delivery/service become necessary due to laws or ordinances, in particular due to the Reach Ordinance, which influence the ability to deliver, the possibility of use or the quality. Suitable measures will be agreed with the contractual partner in specific cases. The same applies if and as soon as our contractual partner determines that such changes will occur.
2. We may demand changes in design and execution of the delivery items within the scope of what is reasonable for our contractual partner, whereby the effects, in particular with regard to additional or reduced costs as well as delivery dates and deadlines are to be regulated appropriately in accordance with section 315, 316 BGB.
3. Our contractual partner undertakes to deliver only those goods which they have subjected to a final inspection with regard to their material, drawing and standard-compliant execution.
4. We must notify our contractual partner within a period of 10 working days from receipt of the goods of any obvious defects which are easily identifiable without inspection as well as overages or shortages. We must notify our contractual partner of any defects identified by us and of any overages or shortages within a period of 10 working days after becoming aware of a defect. Otherwise, section 377 HGB shall not apply.
5. The period of limitation for claims due to defects (warranty claims) against our contractual partner is 36 months, calculated from the time of the passage of risk. If a longer period is provided for by law, such longer period shall apply.

§ 12**Assignment of claims against third parties**

Our contractual partner hereby assigns to us their warranty claims (claims based on liability for defects) to which they are entitled against third parties, suppliers or subcontractors in connection with manufacture, delivery or performance. This assignment neither excludes nor limits our contractual partner's own liability for defects. However, we are obliged to reassign the corresponding claims to our contractual partner if and to the extent that our contractual partner fulfils their obligations towards us due to defects. At the request of our contractual partner, we are obliged at any time to make declarations to third parties, suppliers or subcontractors of our contractual partner that are necessary or meaningful for asserting or safeguarding the assigned claims or to carry out any necessary or meaningful cooperation actions.

§ 13**Manufacturer liability**

1. Our contractual partner shall indemnify us against all claims for damages asserted against us by third parties on the basis of the regulations concerning tortious acts, on product liability or by virtue of other regulations due to defects or deficiencies in the goods manufactured or delivered by us or our contractual partner, insofar as such claims would also be justified against our contractual partner or are no longer justified solely due to the statute of limitations which has since lapsed. Subject to the foregoing conditions, our contractual partner must also indemnify us from the costs of legal disputes that are brought against us due to such claims.

If the claims against us are justified or no longer justified only because of the statute of limitations that has since lapsed, we have a pro rata claim for indemnification against our contractual partner, the scope and amount of which is governed by section 254 BGB.

Our claims to indemnification, expense reimbursement and compensation for damages pursuant to sections 437 (3), 445a, 478, 634 (4) BGB shall remain unaffected by the foregoing provisions.

2. Within the scope of their liability for cases of damage according to paragraph 1 above, our contractual partner is also obliged to reimburse any expenses incurred by us for damage prevention, damage defence, damage minimisation or damage rectification, in particular such expenses as arise from or in connection with a recall campaign as well. With regard to the scope and contents of any recall measures to be carried out, we will - Inform our contractual partner to the extent possible and reasonable and provide them an opportunity to respond. This is without prejudice to additional statutory claims.
3. Our contractual partner must maintain a product liability insurance policy that is sufficient in light of their deliveries to us. The sum insured must be at least EUR 5 million per personal injury/property damage. Our contractual partner must verify the existence of this liability insurance at our request.

§ 14**Industrial property rights**

1. Our contractual partner guarantees that the goods delivered by them do not infringe any rights of third parties, in particular patents, utility models, other industrial property rights and copyrights. Our contractual partner shall indemnify us against claims by third parties arising from any infringement of such rights. In addition, our contractual partner shall bear all costs incurred by us as a result of third parties asserting the infringement of such rights and our defence against such claims.
2. The contracting parties mutually undertake to treat all commercial or technical details which have become known to them within the scope of their cooperation that are not public knowledge as their own business secrets and to maintain absolute confidentiality vis-à-vis third parties. The contracting parties may only advertise their business relationship with the prior written consent of the other party. For each case of culpable infringement of the aforementioned obligations, the contracting parties mutually agree to payment of a contractual penalty in the amount of € 6,000.00 for each individual case.

§ 15**Place of performance, place of jurisdiction, applicable law**

1. The place of performance and exclusive place of jurisdiction for deliveries, services and payments including actions on cheques and bills of exchange as well as all disputes arising between the parties is Hagen/Westphalia provided that our contractual partner is a merchant. However, we also have the right to sue our contractual partner before any other court with jurisdiction in accordance with sections 12 et seq. German Code of Civil Procedure [ZPO].
2. The business relationships between us and our contractual partner shall be governed exclusively by the law applicable in the Federal Republic of Germany to the exclusion of international sales law, in particular the UN Convention on Contracts for the International Sale of Goods, and other international agreements for the standardization of the sales law.