



Terms and conditions of purchase of VEM

May 2018

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1. Area of applicability / conclusion of the contract / general

1.1 These terms and conditions of purchase apply to all legal relationships in which VEM is the buyer, customer or similar and the Contracting Partner is the seller, supplier or similar. Conflicting or deviating terms and conditions of the Contracting Partner will only be recognised by VEM if VEM has expressly agreed to the applicability in writing. These terms and conditions of purchase shall also apply exclusively if VEM accepts the delivery without reservation or makes payments in the knowledge of conflicting or deviating terms and conditions.

1.2 These terms and conditions of purchase shall also apply to all future transactions with the Contracting Partner, should the said transactions be the same.

1.3 The issuing of offers and cost quotations shall be free-of-charge. Unless separately agreed in the individual case, VEM shall not assume any costs and shall not pay any remuneration for visits, planning and other preliminary services of the Contracting Partner. Costs quotations shall be binding.

1.4 A contract shall come into existence by means of the order by VEM in response to the offer of the Contracting Partner, which VEM must present in text form as a minimum. Oral orders, alterations or additions to orders shall only then be binding if these are confirmed by VEM.

1.5 The Contracting Partner shall be obliged to confirm the order within two weeks of receipt. Should the Contracting Partner fail to do so, it shall bear the costs of any time delays.

1.6 The Contracting Partner shall be obliged to compare the drawing index stated in the order with that on the drawing submitted to the Contracting Partner. In case of a deviation, the Contracting Partner shall be obliged to personally notify VEM of such. All data, papers and documents of any kind must be checked for completeness and correctness and processed and stored by the Contracting Partner with the highest level of care.

1.7 Should the delivery or individual delivery components be covered by state import or export regulations, the necessary permits must be obtained by the Contracting Partner in good time at its own expense.

1.8 As a rule, the drawings, dimensions, tolerances, norms, qualities stated by VEM shall apply. Documents and statements which are made, such as images, drawings, weight and dimension statements which deviate from the above require the agreement of VEM.

1.9 Rights of use in relation to samples, cost quotations, documentation and similar information in physical and intangible form which are created by the Contracting Partner on the instructions of VEM shall be transferred automatically and exclusively to VEM at the time of their coming into existence.

2. Prices and payment

2.1 The price stated in the order is binding.

2.2 Unless otherwise stated in the order, the prices shall include packaging, loading, transportation to the place of performance, customs charges, taxes, fees and duties and shall be subject to value added tax to the respective statutory amount.

2.3 Unless otherwise agreed in writing, VEM shall pay the purchase price within 15 days of receipt of the invoice with a 3% discount or within 30 days of receipt of the invoice with a 2% discount or net within 60 days of receipt of the invoice.

2.4 The payment deadline in accordance with Number 2.3 shall commence at the time of receipt of the invoice, provided that this fulfils the requirements under Number 3 and not however prior to delivery of the goods which are owed. The payment deadline shall not start to run prior to the agreed delivery date. The billing of partial services which have been provided shall require the written agreement of VEM.

2.5 Should acceptance be required to take place, the payment deadline shall start to run at the earliest

at the time of signing of the acceptance protocol in deviation from Number 2.4

2.6 Payments shall not mean that the delivery or service is deemed to conform to the contract.

2.7 Partial payments shall only generally take place in consideration of the issuing of a contractual fulfilment surety in accordance with the VEM sample. The sample can be delivered on request.

3. Invoices

3.1 Invoices must be sent separately as two copies for each order, stating the order number to the address of EVM unless a different billing address is stated in the order. Invoice duplicates must be stated as such.

3.2. Value added tax must be stated in the invoice separately. The value added tax number must be stated.

4. Delivery dates

4.1 The dates and deadlines stated in the order are binding. The timeliness of deliveries without assembly or installation shall be determined by the time of arrival at the delivery location specified by VEM.

4.2 In case of delivery delays, VEM shall be entitled to charge default compensation to the sum of 0.5% of the order value per week commenced, however no more than 5% of the order value. Further statutory or contractual claims shall remain reserved. The Contracting Partner has the right to prove to VEM that no loss was incurred due to the delay or that the loss which was incurred amounted to less.

4.3 The Contracting Partner shall be obliged to immediately inform VEM in text form as a minimum if circumstances arise or become recognisable which mean that the agreed dates and deadlines cannot be complied with. In such a case, the Contracting Partner must state the reason for the delivery delay and its expected duration.

4.4 The acceptance of the delayed delivery or service without reservation shall not mean that VEM is foregoing the damages claims to which it is entitled due to the delayed delivery or service.

5. Delivery, transfer of risk, receipt

5.1 Unless otherwise agreed, partial deliveries and partial services shall be excluded.

5.2 Unless otherwise agreed, the deliveries shall take place in accordance with DDP Incoterms 2010 (delivered duty paid). In case that pricing in accordance with EXW (ex-works) is agreed, VEM can also issue the Contracting Partner with instructions concerning the type of carriage, transportation company and delivery company following conclusion of the contract. Should these guidelines not be complied with, the Contracting Partner shall bear the additional costs which are incurred.

5.3 The place of performance is the location stated in the order by VEM, otherwise the place of business of VEM.

5.4 Package labels or delivery notes stating the content, order number or other order information must be attached to each delivery. Should the shipping papers not be attached to a delivery, the goods will be stored by VEM at the expense and risk of the Contracting Partner until the shipping papers arrive. In case of missing papers, factory certifications or similar contractually agreed certificates, VEM shall be entitled to charge the Contracting Partner a fixed penalty to the sum of 250 EUR. VEM can claim a higher loss. The Contracting Partner shall be obliged to provide proof of a lower loss.

5.5 In case of deliveries without assembly or installation, the risk shall be transferred at the time of

receipt at the delivery address stated by VEM. Should acceptance be required to take place, this shall be decisive in relation to the transfer of risk. Should a subcontractor engaged by the Contracting Partner cause damage to the property of VEM during delivery, the Contracting Partner shall incur liability as if it had caused the damage itself.

5.6 The costs for the disposal of packaging materials shall be borne by the Contracting Partner. Any costs connected to the return of packaging shall also be borne by the Contracting Partner.

5.7 The costs of insuring the delivered goods, in particular forwarding insurance, will not be paid by VEM.

5.8 The Contracting Partner has been informed that VEM is an SVS and RVS prohibition customer.

6. Defect inspection and warranty

6.1. The respective current general quality guidelines of the VEM Group apply. These can be viewed at <http://www.vem-group.com/agb/qualitaetsrichtlinien.html>.

6.2 The Contracting Partner hereby guarantees that the deliveries or services correspond to the agreed specifications, demonstrate the guaranteed properties and do not demonstrate any defects which nullify or reduce their value or usability for standard use or the use intended under the contract.

6.3. The Contracting Partner must notify VEM in writing prior to the start of production or provision of the services of changes to the type of composition of the materials being processed or in the constructive performance in relation to equivalent deliveries or services provided for VEM in the past. The changes require the written agreement of VEM. The complete or partial outsourcing of the manufacturing of ordered parts to other production locations abroad must be notified to VEM in advance. The Contracting Partner shall incur liability for ensuring that the subcontractors are provided with the complete and correct manufacturing documents at the time of issuing the engagement and that these are returned to the Contracting Partner by the subcontractor after completion of the engagement. The Contracting Partner hereby permits and shall ensure that VEM has unhindered access to all manufacturing location of the Contracting Partner and its subcontractors at all times.

6.4 A goods in inspection shall only take place at the premises of VEM in relation to obvious defects, damage during transportation, completeness and identity of the goods. In case of excess quantity deliveries, the inspection shall take place on a random sample basis. VEM shall issue a complaint in relation to such defects within a reasonable deadline. VEM reserves the right to carry out a more detailed goods in inspection. VEM shall issue a complaint in relation to defects which are discovered during such an inspection within a reasonable deadline. To this extent, the Contracting Partner is hereby omitting the defence of late defect complaint.

6.5 VEM shall be entitled to the statutory defect claims without any omissions. In all cases, VEM shall be entitled to request defect correction or the delivery of a new item by the Contracting Partner, depending on its choice. The right to bring damages claims, in particular the right of damages in lieu of performance shall remain reserved in express terms.

6.6 Defect claims shall be time barred after the expiry of 36 months. Longer contractual or statutory limitation periods shall remain unaffected thereby. The limitation period shall commence at the time of transfer of risk (delivery in case of sales agreements; acceptance in case work is carried out).

6.7 Should the Contracting Partner fulfil its supplementary performance obligation by means of a replacement delivery, the limitation period for the goods delivered as a replacement shall start to run as new from the time of delivery, unless the Contracting Partner was not obliged to provide supplementary performance and expressly reserved the right to provide the replacement delivery as a

goodwill gesture.

6.8 The Contracting Partner shall bear the costs and risk of the return of defective objects of delivery and the sending of their replacements.

7. Product liability and damages

7.1 Should the Contracting Partner be responsible for damage caused by its products, it shall be obliged to release VEM from third party damages claims on first request, should the cause be in its area of control and organisation and should it incur liability itself in relation to third parties.

7.2 Within this framework, the Contracting Partner is also obliged to reimburse any expenses due to or in connection with a product recall carried out by VEM. Where possible and reasonable, VEM shall inform the Contracting Partner of the content and scope of the recall measures carried out and shall provide the Contracting Partner with the opportunity to make a statement. Other statutory claims shall remain unaffected.

7.3 The Contracting Partner shall be obliged to take out sufficient product liability insurance and to maintain this during the contractual term, including the limitation periods. Should VEM be entitled to additional damages claims, this shall remain unaffected. Following a request, the Contracting Partner must provide VEM with a copy of the valid insurance contract.

7.4 Unless otherwise stated in the terms and conditions of purchase and individually agreed conditions, the damages claims of VEM shall be in accordance with the law.

8. Environment, energy management

8.1 The Contracting Partner shall be obliged to comply with the respectively applicable statutory provisions concerning the protection of the environment during its business activities. It also hereby provides an undertaking to also impose this obligation on its subcontractors.

8.2 All deliveries and services must be provided in such a way that the principle of minimising the use of energy is observed when selecting and manufacturing products, as well as when providing services. By means of the use of the best available and most economically efficient technology, a high degree of energy efficiency on the part of the products and services is to be ensured. For VEM, this is a criteria which is taken into account when selecting suppliers and goods / services.

9. Third party property rights

9.1 By means of the delivery and its use by VEM, no property rights of third parties may be infringed within the Federal Republic of Germany. VEM will inform the Contracting Partner of third parties who allege to have a claim.

9.2 In case of a breach of third party property rights for which the Contracting Partner is responsible, the Contracting Partner shall defend at its own expense the third party claims which are brought against VEM due to infringements of property rights by the deliveries and services provided by the Contracting Partner. To this extent, the Contracting Partner is authorised to take the place of VEM in the legal dispute. The Contracting Partner shall release VEM from all claims connected to the use of such property rights, should the Contracting Partner be responsible for these.

9.3 Should the use of the delivery by VEM be hindered due to existing property rights, the Contracting Partner must, at its own expense, either acquire the corresponding permit or alter or exchange the parts of the delivery concerned in such a way that the use of the delivery is no longer prevented by third party property rights and these correspond to the contractual agreements at the same time.

10. Supply

10.1 VEM reserves all ownership rights and rights of use in all samples, cost quotations, images, drawings, calculations, work norm sheets, printed papers, documentation and other documents or information of a physical and intangible nature which is made available by VEM. These may not be made accessible to third parties without the express written agreement of VEM and may only be used for the manufacturing of the ordered goods and provision of the service which has been ordered. At any time, VEM can request the surrender of these'; the Contracting Partner is not entitled to a right of retention. These must be kept secret in relation to third parties.

10.2 Materials provided by VEM, regardless of type, shall remain the property of VEM. These may only be used in accordance with the contract. In case of processing or mixing, VEM shall acquire co-ownership in the new item to the relationship of the value of the item of VEM with the other processed objects at the time of processing and for the duration of the storage of the object by the Contracting Partner.

10.3 The Contracting Partner shall be obliged to carefully inspect and store the materials which have been provided. Deviations (for example quantity, quality etc) shall be reported to VEM immediately. The Contracting Partner shall incur liability for loss or damage due to negligence or intent.

10.4 VEM reserves ownership in relation to provided work tools; the Contracting Partner is obliged to only use the work tools for the manufacturing of goods which have been ordered by VEM. The Contracting Partner shall be obliged to insure the work tools which belong to VEM at its own expense and to the replacement value against fire and water damage and theft. The Contracting Partner shall be obliged to carry out any necessary maintenance and inspection work, as well as any repair work in relation to the said work tools in good time at its own expense. It must inform VEM immediately of any breakdowns; should it culpably fail to do so, damages claims shall remain unaffected.

10.5 The work tools named in Number 10.4 may only be made accessible to third parties with the prior written agreement of VEM. Products which are manufactured in accordance with documents drafted by VEM, such as drawing, models and similar or in accordance with confidential information of VEM or with work tools of VEM or reproduced work tools of VEM may not be used by the Contracting Partner itself outside of the scope of the engagement and may not be offered or delivered to third parties either.

10.6 The Contracting Partner can only claim the lack of handover of materials or documents to be supplied by VEM if it has issued a warning in relation to the documents and has not received these within a reasonable deadline.

11. Minimum wage

11.1 The Contracting Partner hereby provides an undertaking that its employees receive the statutory minimum wage as a minimum.

11.2 In case that the services of the Contracting Partner come under §13 of the German Minimum Wage Act (Mindestlohngesetz), § 14 of the German Employee Secondment Act (Arbeitnehmerentsendegesetz), the Contracting Partner must provide immediate proof of payment of the minimum wage by itself and its subcontractors which work in connection with this contract if requested to do so. VEM can withhold the remuneration which is owed until the proof is provided. Should the Contracting Partner not be able to provide the proof within 1 month of the request, VEM can rescind the contract and bring any damages claims.

11.3 The Contracting Partner shall release VEM from all claims and entitlements on first request, should these relate to non-payment of the minimum wage under the German Minimum Wage Act and under §13 of the German Minimum Wage Act (Mindestlohngesetz) and § 14 of the German Employee Secondment Act (Arbeitnehmerentsendegesetz) in connection with the business relationship between

VEM and the Contracting Partner. The release from liability is limited to the sums which are stated in § 14 of the German Employee Secondment Act (Arbeitnehmerentsendegesetz).

12. Non-disclosure

The Contracting Partners shall be mutually obliged to keep confidential all information received from the other party in connection with the co-operation under this contract, be this in oral or written form and shall not disclose the said information to third parties. The non-disclosure shall also remain effective for a period of five (5) years following termination of the business relationships.

13. Assignment, pledging, right of retention

13.1 The assignment or pledging of contractual claims is only valid with the prior written agreement of VEM. VEM will not withhold this agreement without important reasons being present.

13.2. VEM can withhold the remuneration in full or in part should it have legitimate claims against the Contracting Partner or should the VEM have justified concerns that the delivery or service provision is not taking place in accordance with the contract or that the warranty obligations cannot be fulfilled. The concern is justified if an application for the opening of insolvency proceedings has been filed against the Contracting Partner, if the Contracting Partner is in default with the payment of social security contributions, if the Contracting Partner has failed to pay several of its subcontractors on time or if the bank has suspended the credit line.

13.3. The Contracting Partner can only retain the delivery or service if VEM has failed to pay despite a pre-payment obligation, even though VEM would have been obliged to make payment.

14. Replacement parts

The Contracting Partner shall be obliged to be able to delivery replacement parts for the period of the expected technical use, however for at least 10 years following the delivery on reasonable terms. Should the Contracting Partner suspend the manufacture of the replacement parts, it shall be obliged to inform VEM of such and to provide it with the option to place a final order.

15. Closing provisions

15.1 Should any individual provisions of these terms and conditions of purchase or of the contract be ineffective in full or in part, the remaining clauses shall remain unaffected thereby.

15.2 The exclusive place of jurisdiction for all disputes under and in connection with the order shall be the court at the place of business of the customer. However, VEM is also entitled to bring a lawsuit against the Contracting Partner at its place of business.

15.3 The law of the Federal Republic of Germany shall apply exclusively, to the exclusion of the United Nations Convention governing the International Sale of Goods (CISG).