



General Terms and Conditions of Purchase

1. General

- 1.1 The following GTC shall apply a) directly to all business relations based on a purchase contract and b) mutatis mutandis also to any other legal relations between LUHNS GMBH, Schwarzbach 91-137, 42277 Wuppertal, Germany, (hereinafter referred to as the "BUYER" or "LUHNS GMBH") and contractors, public entities and special funds under public law as well as consumers (hereinafter referred to as the "SELLER"). Contractor shall be any natural or legal person or incorporated partnership entering into a transaction in the course of their regular activities as a commercial or independent business; consumer shall be a natural person with whom we enter into business without said person being engaged in a commercial or independent business.
- 1.2 Deviations from this or the GTC of the SELLER shall only be effective if agreed in writing by the BUYER. These terms and conditions shall also apply to comparable business between the parties in the future.

2. Offer

- 2.1 Offers of the SELLER shall be submitted free of charge and shall not place LUHNS GMBH under any obligation. All offers of the SELLER shall be based on the specific enquiries made by LUHNS GMBH. Where the SELLER can offer a solution that is technically or economically more advantageous than the LUHNS GMBH enquiry, it shall be included in the offer submitted to LUHNS GMBH.
- 2.2 Where the SELLER charges another customer more favourable prices or grants reductions of any other kind (e.g. discounts, bonuses, terms of payment) for the same or a lower quantity of the goods ordered during or after execution of a LUHNS GMBH order but before delivery of the goods or the final delivery, LUHNS GMBH shall be entitled to the same conditions.

- 2.3 In the absence of an agreement to the contrary, all prices of the SELLER shall include taxes, packaging, transport, loan containers and storage.
- 2.4 Orders and changes to orders shall only be binding where placed in writing by LUHNS GMBH Purchasing. Verbal agreements shall require mutual written confirmation.
- 2.5 Where the SELLER is aware on acceptance of an order that LUHNS GMBH is acting as an agent arranging the delivery for a third party, LUHNS GMBH shall not be liable for any aspect of the transaction including claims of the SELLER against third parties unless LUHNS GMBH has acted intentionally or was grossly negligent.

3. Delivery period, delivery, quality assurance

- 3.1 The SELLER shall strictly comply with the agreed delivery schedule. Deliveries shall be made within the usual business hours of LUHNS GMBH.
- 3.2 Where the SELLER realises that it cannot meet any or all of its contractual obligations at all or within the specified time, it shall notify LUHNS GMBH immediately in writing stating the reasons and the expected length of the delay.
- 3.3 Where the SELLER is in default, LUHNS GMBH shall have right after sending a reminder to demand payment of a contractual penalty of 0.5% of the gross price for each week of default or part thereof, up to a maximum of 5% of the gross order value of the delivery. Further rights shall not be affected by this. LUHNS GMBH shall deduct any contractual penalty payable from its claims for damages.
- 3.4 Part deliveries shall only be permitted on prior agreement.

3.5 The SELLER shall implement and maintain effective quality assurance measures and on request furnish LUHNS GMBH with appropriate proof. Where requested by LUHNS GMBH, the SELLER shall use a quality assurance system based on DIN ISO 9000 ff (or successor certification). LUHNS GMBH shall be entitled to inspect the QA system either itself or through a third party authorised by it.

3.6 Where pertinent and unless otherwise expressly stated in the order confirmation, the delivery item shall meet the conditions relating to origin under the Preferential Agreement of the EU.

4. Warranty

4.1 The SELLER shall warrant that the delivery item has the warranted and guaranteed characteristics, is free of any defect that may reduce its value or fitness for the purpose intended, and complies with the conditions specified in the order, the generally accepted engineering rules, the latest government and statutory regulations, the current safety requirements, and the health and safety regulations. Warranty-related issues shall be handled in compliance with the statutory regulations, items 4.2 to 4.4 shall remain unaffected by this.

4.2 Claims based on defects shall become statute-barred after 36 months from the passage of risk.

4.3 Within the scope of its quality assurance system, the SELLER shall carry out outgoing goods inspections in order to dispense with an incoming goods inspection at LUHNS GMBH. §§ 377, 378 of the German Commercial Code (HGB) shall not be applicable here.

4.4 The warranty of the SELLER shall also cover any parts and services purchased from its suppliers and any consequential damage resulting from defects, irrespective of whether the SELLER is the manufacturer or dealer of the goods.

4.5 In case of imminent danger or urgency, LUHNS GMBH shall be entitled to remedy any defects itself at the expense of the SELLER.

5. Insurances

The SELLER shall take out at its own expense sufficient insurance for potential damage caused by itself or its vicarious agents. The conclusion and proof of insurances, however, shall not reduce the extent of liability/warranty of the SELLER.

6. Documents, confidentiality

6.1 All SELLER information and documents, specifications, specimens, notes, drawings, instructions, technical requirements, data, and equipment which LUHNS GMBH has made available to the SELLER for the preparation of an offer, the design, manufacture, delivery, calculation, etc., along with any documents prepared by the SELLER based on specifications provided LUHNS GMBH, e.g. calculations ("information"), shall remain the property of LUHNS GMBH and may not be used, summarised or copied by the SELLER for any other purposes or made available to third parties in any other way. Where requested by LUHNS GMBH, these shall be returned together with any copies or transcripts. An approval of SELLER calculations by LUHNS GMBH shall not affect the responsibility of the SELLER.

6.2 The SELLER shall treat all information and the existence of business relations between the parties as strictly confidential.

6.3 An enforcement of any rights of retention shall not be permitted. Items 9.2 and 9.3 shall remain unaffected by this.

7. Shipping instructions, passage of risk

7.1 Each consignment shall include the delivery note and packing slip. All shipping documents and the outer packaging shall contain the order number, details of the unloading point and the specific recipients of the goods.

7.2 In the absence of an agreement to the contrary, the SELLER shall arrange for shipments free destination and shall obtain the necessary transport and customs documents unless these can exclusively be provided by LUHNS GMBH. The SELLER shall choose the most suitable option of transport and assume any costs involved and conclude a transport insurance for the value of the delivery items.

7.3 The SELLER shall package, identify and ship the goods ordered in proper fashion in compliance with the pertinent national and international regulations.

7.4 The commercial terms applicable shall be based on the most recent INCOTERMS, currently INCOTERMS 2000.

7.5 The risk shall not pass until delivery of the goods to the agreed destination.

8. Billing and payment

- 8.1 Invoices shall be prepared in due form indicating the VAT identification number, where applicable, and shall be itemised as listed in the order including item numbers.
- 8.2 Payment shall be made subject to verification of the delivery. Payment of the goods shall not be deemed acceptance of any conditions and prices and shall not affect the warranty and liability of the SELLER; it shall not constitute a waiver of claims on the part of LUHNS GMBH due to defects subsequently discovered.
- 8.3 On payment within 14 days from receipt of the invoice, LUHNS GMBH shall be granted a discount of 3% unless otherwise agreed. Cheques sent or transfers initiated in due time shall entitle LUHNS GMBH to the discount provided that its account is in credit.
- 8.4 Where LUHNS GMBH acts as a buying agent, LUHNS GMBH shall be obliged to pay only if and when the principal has paid LUHNS GMBH for the delivery. This shall not apply to a refusal of the principal to pay for reasons for which LUHNS GMBH is responsible.
- 8.5 Where LUHNS GMBH acts as a buying agent, only the principal shall be required to notify defects immediately on receipt of the goods, as specified under § 377 HGB.

9. Offsetting, retention

- 9.1 The SELLER may offset claims only where these are uncontested or have become res judicata.
- 9.2 Item 9.1 shall apply mutatis mutandis to the enforcement of rights of retention by the SELLER.
- 9.3 In regard to claims of LUHNS GMBH based on an order, the SELLER shall not be entitled to exercise any rights of retention due to a claim relating to another order.
- 9.4 § 369 HGB shall not apply.

10. Protected rights, product liability

- 10.1 The SELLER shall be responsible to the extent required by law for ensuring that the delivery and proper use of the delivery item does not violate any protected rights of third parties, specifically patent rights.
- 10.2 In the event of an actual or claimed violation, the SELLER shall indemnify LUHNS GMBH, its customers and their customers to

the extent required by law against any liability, damage and loss and any costs incurred.

- 10.3 The SELLER shall further indemnify LUHNS GMBH against any claims of third parties resulting from the Product Liability Act or the product liability if and where deliveries or services provided by the SELLER justify a claim.
- 10.4 Goods involving a special design of LUHNS GMBH, whether as an assembled end product, part of an assembled end product or bearing the brand of LUHNS GMBH or any other characteristic identifying LUHNS GMBH, may not at the same time bear the brand or any other design of the SELLER, and similar material shall not be sold or made available to any other party than LUHNS GMBH.

11. Advertising, transfer

- 11.1 The SELLER may refer to its existing business relations with LUHNS GMBH only on prior written consent of the latter.
- 11.2 The SELLER may transfer its contractual rights and obligations to a third party only on prior written consent of LUHNS GMBH. § 354a HGB shall remain unaffected by this.

12. Application of the BSCI Code of Conduct

The SELLER shall undertake to apply the BSCI Code of Conduct (www.bsci-eu.com) as amended and be required to ensure compliance by its subcontractors and service providers. On request, the SELLER shall provide LuHns GmbH with appropriate proof hereof.

13. Applicable law, place of jurisdiction, separability clause

- 13.1 This Contract shall be subject exclusively to the laws of Germany, with the exception of the UN Sales Convention.
- 13.2 Where permitted by law, the exclusive place of jurisdiction shall be Wuppertal.
- 13.3 Should any individual provision or any part of any provision be or become void or enforceable or contain a loophole, the validity of the remaining provisions hereof shall in no way be affected.
- 13.4 The German version of these terms and conditions of purchase shall be authoritative. Other language versions shall only serve to facilitate comprehension.