

# Conditions of Purchase



## 1. Scope of application

These Conditions of Purchase apply to all of our orders and assignments to suppliers, as long as the supplier is an entrepreneur, a legal entity under public law or a special fund under public law. These conditions of purchase apply exclusively. Deviating, conflicting or additional terms and conditions of the supplier are explicitly rejected. These shall form part of the contract only in exceptional cases if and insofar as their validity is expressly confirmed by us in writing. The foregoing applies even if we do not explicitly contradict the terms and conditions of the supplier particularly in cases in which we unconditionally accept deliveries from the supplier in awareness of the supplier's General Terms and Conditions.

## 2. Code of Conduct

The supplier must comply with the guidelines (Code of Conduct) of the Stiegelmeier-Group when providing its services and take appropriate measures to ensure that his employees and possible subcontractors comply with the rules of conduct set out therein. The code is available at [www.stiegelmeier.com](http://www.stiegelmeier.com) respectively and will be provided to the supplier on written request or a request in a text form.

## 3. Order / Supplier Declaration / Reservation of Title

Only orders placed or confirmed by us in writing or in a text form shall be effective. Changes require our explicit permission given in writing or in text form. If the order is not accepted within a period of 3 weeks from the date of the order by the supplier, it shall be deemed rejected. The supplier shall notify us of obvious errors, such as typing and calculation errors and omissions in the order, including the order documents, for the purpose of correction or completion before acceptance of the order. The supplier is required to inform us of any reservations about the technical parameters specified by us in the order or about any other specified requirements, i.e. before accepting the order.

At our written request or a request drawn up in a text form, the supplier shall provide us with an appropriate supplier's declaration in accordance with the requirements of Regulation (EC) No. 2015/2447 of 24.11.2015. Regulations that go further than a simple reservation of title will be objected to.

## 4. Delivery Time

The agreed delivery time is binding, and adherence hereto is an essential constructional obligation of the supplier. Circumstances which render adherence impossible are to be reported to us immediately in a text form or in writing. In the event of default, we are entitled to charge a lump sum of 0.5% of the total order value (excluding VAT) as compensation for each full calendar week of delay. The lump sum is limited to a total of no more than 5% of the total order value (excluding VAT). We reserve the right to assert further statutory claims. The supplier has the right to provide us with evidence that we have suffered no damages or lesser damages as a result of the delay. The lump sum shall then be reduced accordingly. Our acceptance of the delayed delivery or performance shall not be considered as a waiver of compensation even without explicit reservation. Compensation for the delay, however, shall be claimed at the latest at the time of the final payment.

## 5. Dispatch

The ordered goods - unless otherwise explicitly agreed in writing - are to be delivered free to the delivery address specified in our order. The product shall be suitably packed for transport, marked in accordance with the contractual and statutory requirements with respect to commercial care. The dispatch has to be notified to us at the latest when the goods leave the plant. All dispatch notes, bills of lading and parcel labels must visibly indicate the delivery address and order number given by us. These and other dispatch instructions, specified in the order, are binding on the supplier. Consignments for which we bear the freight costs in full or in part must be transported at favorable freight rates, unless stipulated otherwise in our dispatch instructions. The supplier is liable for all damages and costs resulting from insufficient compliance or failure to comply with our specifications.

## 6. Information Requirement

Installation and commissioning instructions, maintenance information etc. must be provided, or sent as a pdf file, for delivery items, for which the handling, processing and/or installation is not generally known without special request in German and in the language of the place of delivery of the items, no later than the date of delivery of the items. In case of failure to do so, the supplier shall also be liable for damage caused by improper handling, processing and/or installation.

## 7. Complaints of defects

Obvious defects shall have been reported by us in time within the meaning of Section 377 HGB (German Commercial Code), if the supplier is notified of such defects by us within 5 workdays of receipt of the goods. Hidden defects shall have been reported in time if the supplier is notified of such defects by us within 5 workdays of their discovery. Payments made by us shall in no way constitute a waiver of notice of defects.

## 8. Warranty

Our warranty claims are based on the statutory provisions, unless determined otherwise below. Warranty claims shall accordingly become statute-barred within 24 months of delivery or performance.

The supplier warrants that all goods supplied correspond to the contractual requirements stipulated by us for the goods (especially in drawings, models, samples, etc.) and that they correspond to the usual market quality and the relevant regulations and standards applicable to products that are brought into circulation in Germany.

We are entitled in exceptional cases to remedy the defect ourselves at the supplier's expense before the end of the reasonable period of grace otherwise set to the supplier, or to have it remedied or to obtain new delivery elsewhere if a particular urgency is established by the fact that such defect or damage entails a significant risk, in particular to operational safety, and we report this defect and the impending damage to the supplier before the remedy or without delay after the remedy. In the substitution measures, described above, we shall always take into account the legitimate interests of the supplier.

For goods in which a rectification of a defect has taken place, and for goods that have been newly delivered due to a defect, the warranty period with respect to the rectified defect begins again on completion of rectification or with the replacement delivery.

The rights ensuing from a guarantee granted by the supplier shall remain unaffected.

## 9. Damages / Rescission

We are entitled to request damages from the supplier without any restrictions for any breach of contract in accordance with the statutory provisions. The supplier is liable for all follow-up damages suffered by us or our customers due to any material defects or other breaches of contract by the supplier. The supplier undertakes to indemnify us in case of justified complaints by our customers, based on corresponding breaches of contract by the supplier from all warranty and other claims.

Furthermore, the supplier shall indemnify us without restriction from all claims asserted by third parties owing to provisions under product law, product liability law or similar provisions if the affected product was delivered by the supplier or the materials or parts of the defect delivered by the supplier are the cause of the defect in the final product. Indemnification also includes the reimbursement of costs incurred by us in this context (e.g. as part of a recall or other field action).

In addition to the rights of rescission envisaged by law, we have a right of rescission without compensation if

- the supplier rejects the validity of these Conditions of Purchase;
- the supplier, despite a request, does not submit a proof of the existence of adequate liability insurance within a reasonable deadline set by us,  
(see Subclause 10.);
- the supplier, without providing a justifiable reason, fails to meet essential contractual obligations, despite having been given an adequate period of grace.

## 10. Insurance

For damages caused by services rendered or goods delivered by it, its employees or subcontractors, the supplier shall take out liability insurance

at its own expense with adequate coverage for the particular material damage and personal injury, and maintain it for the entire duration of the contract with us. On our explicit written request, the supplier is required to provide us immediately with written proof of the existence of corresponding insurance in addition to the minimum sums insured.

#### **11. Availability**

The supplier undertakes to deliver to us spare items and spare parts (original parts) for the objects of delivery on reasonable terms for the period of the customary technical useful lives of our products, in which the objects of delivery are incorporated, at least however for a period of 10 years from the respective delivery, to enable us to maintain and repair our products. If the supplier, after the expiry of the aforementioned deadline discontinues the production or stock keeping of items that are identical with the objects of delivery or spare parts, it has to inform us hereof in writing six months prior to the discontinuation and to give us the opportunity to build up sufficient stocks.

#### **12. Quality Assurance**

The supplier undertakes to ensure the permanent quality of the goods-supplied by it, by undertaking appropriate tests and inspections during manufacture. It is required to prepare documentation in accordance with EN ISO 9001 on this testing. We have the right to convince ourselves concerning the conduct of the testing and inspections at the site of operations, after giving appropriate notice. On our justifiable request, the supplier is also required to provide us with proof and corresponding information on the type and performance of tests and inspections, by presenting appropriate documents.

#### **13. Energy efficiency**

We point out to our suppliers with an influence on the energy-related performance that we operate an energy management system according to DIN EN ISO 50001 and that energy efficiency is included as a decision criterion in the awarding of contracts. The supplier ensures that the energy policy is adhered to and that energy criteria are taken into account when submitting bids and that an energy-efficient comparative bid is submitted.

#### **14. Substances in products**

The supplier warrants that the requirements of the EU Chemicals Regulation REACH (Regulation (EC) No. 1907/2006) as last amended will be complied with. The supplier shall not deliver products containing substances described in Annexes I to IX of the REACH Regulation or the UN Minamata Convention. The supplier furthermore warrants that the specific applicable limits according to ROHS Directive 2011/65/EU will be complied with. No carcinogenic, mutagenic or radioactive substances shall be used. The supplier shall indemnify us from all liability relating to the non-compliance with the stated regulations and prohibitions.

#### **15. Property Rights**

The supplier shall assume responsibility for the fact that no rights of third parties, including copyrights, trademarks, patents and other property rights are infringed in connection with its delivery. If a claim is asserted against us by a third party owing to an infringement of one of the aforementioned property rights, the supplier undertakes to indemnify us from such claims upon first written request. The supplier's obligation for indemnification refers to all expenses incurred necessarily to us arising from or in connection with the justified claim by a third party. The statute of limitations for such claims is 5 years, starting with the delivery of the relevant product.

#### **16. Confidentiality / Advertising**

The supplier is required to treat all orders, and all other non-public documents, information and data, especially all those explicitly marked as "confidential", that it receives from us in the context of the business relationship, as confidential and only to use these in the context of the business relationship. The supplier is forbidden from exploiting these documents, information and data, from informing third parties hereof or from otherwise making these accessible. If the supplier breaches one of the aforementioned duties, it is obliged to pay us a contractual penalty that is to be fixed by us at our reasonable discretion and is verifiable by a court, which should amount to at least Euro 5,000.00 per individual case – under the exclusion of the continuation context.

Furthermore, the supplier is only permitted to refer to the existing business relationship with us to third parties or to advertise it after obtaining our consent in writing or in a text form.

#### **17. Accident Prevention**

If the supplier is required to provide his services on our premises, the supplier shall ensure that all provisions concerning the prevention of

accidents in the workplace and the corresponding regulations of employers' liability insurance are respected by his legal representatives or vicarious agents. Agents in this sense also include the personnel that are provided to the supplier from our side. With the provision of these employees, they are subject to the instructions of the supplier. The supplier shall be liable for all damages incurred to us and our employees or third parties through inadequate explanations or insufficient compliance with safety regulations, unless the injured party itself is culpable of gross negligence or wilful misconduct.

#### **18. Means of Production, Development, Models, Tools, Purchaser Documentation**

Means of production such as samples, models, tools, gauges, drawings, data, design and production documentation, know-how and similar, that we make available to the supplier, remain our exclusive property, both before and after making changes or enhancements. We shall be entitled to unrestricted use and exploitation. The same applies to such items, which we (further) develop in cooperation with the supplier. Means of production, in particular models and tools, which are manufactured at our expense by the supplier, revert into our property after payment. The supplier is required to handle and store the production materials carefully and to insure them against fire, water, theft, loss or other damage at his own expense. The supplier is not entitled, whether before or after making changes or enhancements, to transfer the means of production to third parties or use them or exploit them in any way beyond the contractually agreed scope. This also applies to products manufactured using the means of production. These items may only be delivered to us, unless we have agreed to a different use, by prior and explicit written consent. After carrying out the order, the supplier is required to send the production materials back to us on our explicit request or to destroy them.

#### **19. Data Protection**

In accordance with the data protection laws, we are entitled to store personal data relating to the supplier for commercial purposes and to transmit, revise and delete it. The data is initially stored by us at a central location. The supplier is hereby informed of this.

#### **20. Place of Performance, Applicable Law**

The place of performance and place of transfer of risk for deliveries is the place where the delivery shall be made as specified in the order. For all payments, the place of business is our place of business. German law applies exclusively to all contractual and non-contractual relationships with the suppliers. Currently applicable international private law and the UN Sales Conventions are excluded. The exclusive legal venue for both parties is our place of business. Notwithstanding this, we can also file a lawsuit at the place of business of the supplier.

#### **21. Severability Clause**

The invalidity of one of the provisions of these Conditions of Purchase does not affect the validity of the remaining provisions.

Herford, June 2019