



**General Terms and Conditions of Purchase
for
Dancop International GmbH**

1. Scope

1.1

These General Terms and Conditions of Purchase shall apply to all transactions with our business partners and suppliers ("Vendors") in their then-current version, even if we do not expressly refer to them in future. They comprise part of all contracts that we conclude with our contractual partners / sellers.

1.2

These terms and conditions shall also apply in particular in cases where the Customer has communicated its own contractual terms and conditions which deviate from these terms and conditions. They shall not become part of the contract without our express consent or that of the persons acting on our behalf.

1.3

These terms and conditions apply in particular to contracts for the sale and/or delivery of movable goods ("goods"), irrespective of whether the seller manufactures the goods itself or purchases them from suppliers (sections 433, 651 German Civil Code - BGB). Unless otherwise agreed, the terms and conditions in effect at the time of the buyer's order or at any rate in the version last communicated to the buyer in text form shall also apply as a framework agreement for similar future contracts.

1.4

Any changes and additions to this condition require a written agreement. This also applies to the waiver of the writing requirement itself.

1.5

Individual agreements made in specific cases shall take precedence over these terms and conditions. Subject to proof to the contrary, the content of such agreements shall be governed by a written contract or our written confirmation.

1.6

Legally relevant declarations and notifications from the seller with regard to the contract (e.g. setting a deadline, reminder, withdrawal) must be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). This is without prejudice to legal form requirements and additional forms of verification, in particular in the case of doubts as to the identification of the declarant.



1.7

Any references to the application of statutory provisions are for the purposes of clarification only. Accordingly, they shall apply unless they are directly modified or expressly excluded herein.

2. Contract conclusion

2.1

Our orders must be made in writing. The seller must notify us of obvious errors (e.g. spelling or calculation errors) and incompleteness of the order including the order documents so that corrections may be made or incomplete information supplemented prior to acceptance; otherwise the contract shall be deemed not to have been concluded.

2.2

The seller is obliged to confirm our order in writing within a period of five working days or to execute it unconditionally by dispatching the goods (acceptance).

2.3

Delayed acceptance is considered a new offer and requires our acceptance.

3. Delivery period and default in delivery

3.1

The delivery period stated by us in the order is binding. If the delivery period is not stated in the order and has not been agreed otherwise, delivery must be made immediately. The seller is obliged to inform us immediately in writing in call cases if it is likely that it will not be able to meet the agreed delivery times.

3.2

If the seller does not perform, or does not perform within the agreed delivery period, or is in delay, our rights - in particular to rescission and damages - shall be determined in accordance with the statutory provisions. This is without prejudice to the provisions of Section 3.3.

3.3

If the seller is in delay, we may - in addition to further legal claims - demand lump-sum compensation for our damages incurred as a result of the default amounting to one percent of the net price per completed calendar week, but not more than a total of five percent of the net price of the goods delivered late. We reserve the right to prove higher damages. The seller reserves the right to prove that no damages were incurred or that damages were substantially lower.



4. Performance, Delivery, Passage of risk, Default in acceptance

4.1

Even without our prior written consent, the seller is entitled to have its required performance performed by third parties (e.g. subcontractors). This is without prejudice to the passage of risk and costs between Dancop International GmbH and the respective contractual partner upon delivery of the goods.

Unless otherwise agreed in a specific case (e.g. limitation to stock), the seller bears the procurement risk for its performance.

4.2

Delivery shall be made within Germany carriage paid to the location indicated in the order. If the destination is not specified and nothing to the contrary has been agreed, delivery shall be made to our place of business in Peine. The respective destination shall also be the place of performance for the delivery and any supplementary performance (obligation to deliver).

4.3

The shipment must be accompanied by a delivery note stating the date (issue and dispatch), the contents of the shipment (article number and quantity) and our order identification (date and number). We are not responsible for any resulting delays in processing and payment if the delivery note is missing or incomplete.

4.4

The risk of accidental loss and accidental deterioration of the goods shall pass to us upon delivery at the place of performance. If acceptance has been agreed, this shall be decisive for the passage of risk. In all other respects, the statutory provisions of the law on contracts for work and labor shall also apply in the event of acceptance mutatis mutandis. If we are in default of acceptance, this shall be deemed equivalent to handover or acceptance.

4.5

Applicable statutory provisions shall apply with regard to the occurrence of our default of acceptance. However, the seller must also expressly offer to perform if a specific or determinable calendar period has been agreed for an action or cooperation on our part (e.g. provision of material). If we are in default of acceptance, the seller may demand reimbursement of its additional expenses in accordance with the statutory provisions (section 304 BGB). If the contract relates to custom goods to be manufactured by the seller (one-off production), the seller shall only be entitled to further rights if we have undertaken to cooperate and are responsible for the failure to cooperate.

5. Prices and payment terms

5.1

The price stated in the order is binding. All prices are quoted inclusive of statutory value added tax if not stated separately.



5.2

Unless otherwise agreed in a specific case, the price shall include all performances and auxiliary services of the seller (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance).

5.3

The agreed price is due for payment within 30 calendar days of complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If we make payment within 14 calendar days, the seller shall grant us a discount of three percent on the net amount of the invoice. In the case of bank transfers, payment is deemed to have been made on time if our transfer order is received by our bank before the expiry of the payment deadline; we are not responsible for delays caused by the banks involved in the payment process.

5.4

We do not owe interest on arrears. The statutory provisions shall apply to default in payment.

5.5

We shall be entitled to set-off and retention rights as well as the defense of non-performance of the contract to the extent permitted by law. In particular, we shall be entitled to withhold any payments due as long as we are still entitled to claims related to incomplete or defective performance by the seller.

5.6

The seller has a right of set-off or retention only on account of counterclaims that have been finally determined by a court or that are undisputed.

6. Confidentiality and retention of title

6.1

We reserve ownership rights and copyrights to illustrations, plans, drawings, calculations, implementation instructions, product descriptions and other documents provided by us. Such documents may be used exclusively for performance of the contract and shall be returned to us or destroyed after completion of the contract. The documents may not be disclosed to third parties even after termination of the contract. The obligation to maintain confidentiality does not expire until the information contained in any documents provided has become general knowledge.

6.2

This applies accordingly to materials (e.g. software, finished and semi-finished products) as well as to tools, templates, samples and other items which we provide to the seller for manufacture. Such objects - as long as they are not processed - shall be kept separately at the seller's expense and insured to a reasonable extent against destruction and loss.



6.3

Any processing, mixing or combination (further processing) of items provided by the seller will be carried out by us. The same shall apply to further processing of the delivered goods by us so that we shall be deemed the manufacturer and shall acquire ownership of the product in accordance with the statutory provisions no later than upon further processing.

6.4

Transfer of ownership of the goods to us occurs unconditionally and regardless of payment of the price. However, if we accept an offer by the seller to transfer ownership conditional on the payment of the purchase price in an individual case, the seller's retention of title shall expire no later than upon payment of the purchase price for the delivered goods. We are also entitled to resell the goods prior to payment of the purchase price in the ordinary course of business upon advance assignment of the claim arising therefrom (in the case of alternative validity of the simple reservation of title extended to the resale). All other forms of retention of title are excluded, in particular the extended retention of title, the assigned retention of title and the retention of title extended to further processing.

7. Defect rights

7.1

Unless otherwise specified below, the statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating and instruction manuals) and in the event of other breaches of duty by the seller.

7.2

According to the statutory provisions, the seller is liable in particular for ensuring that the goods have the agreed quality upon the passage of risk to us. The product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective contract or which have been included in the contract in the same way as these conditions - shall in any case be deemed to be an agreement on the quality. Whether the product description comes from us, the seller or the manufacturer is irrelevant.

7.3

Contrary to section 442 I 2 German Civil Code (BGB), we shall also be entitled to assert claims for defects without restriction even in cases where the defect remained unknown to us when the contract was concluded as a result of gross negligence.



7.4

The statutory provisions (sections 377, 381 German Commercial Code - HGB) shall apply to commercial obligations to inspect and give notice of defects with the following proviso: Our obligation to inspect shall be limited to defects which become apparent during our incoming goods inspection under external inspection including the delivery documents (e.g. transport damage, wrong or short delivery) or which are apparent during our quality inspection by random sampling. If acceptance has been agreed, there shall be no obligation to inspect. In all other cases, this depends on the extent to which an examination, taking into account the circumstances of the individual case, is feasible for us in the ordinary course of business. Our obligation to give notice of defects discovered later shall remain unaffected. Irrespective of our duty to inspect, our complaint (notice of defects) shall be deemed immediate and timely if it is sent within five working days of discovery or - in the case of obvious defects - of delivery.

7.5

Supplementary performance shall also include the removal of the defective goods and their reinstallation, insofar as the goods have been installed or attached to another object in accordance with their type and intended use and our statutory claim to reimbursement of corresponding expenses remains unaffected. The seller shall bear the costs for tests and expenses for remedying the defect. Our liability for damages in the event of an unjustified demand to remedy defects shall remain unaffected; in this respect, however, we shall only be liable if we were aware that there was no defect or would have been aware of this but for gross negligence.

7.6

The following shall apply irrespective of our statutory rights and the provisions of Section 7.5: If the seller does not fulfil its supplementary performance obligation - at our discretion by remedying the defect (cure) or by delivering a defect-free item (replacement delivery) - within a reasonable period set by us, we shall be entitled to remedy the defect ourselves and demand reimbursement from the seller of the expenses required for this or a corresponding advance payment. If supplementary performance by the seller has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline need be set; however, we shall inform the seller of such circumstances without undue delay and in advance if possible.

7.7

In all other cases, in the event of a material defect or defect of title, we shall be entitled to reduce the purchase price or withdraw from the contract in accordance with the statutory provisions. In addition, we are entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.

8. Supplier regress

8.1

We are entitled to our legally determined recourse claims within a supply chain (recourse against suppliers in accordance with sections 445a, 445b, 478 BGB) without restriction in addition to the claims based on defects. In particular, we are entitled to demand from the seller exactly the type of supplementary performance (rectification of defects or replacement delivery) that we owe to our customer in the specific case. This is without prejudice to our legal right to choose a remedy (section 439 I BGB).

8.2

Before we acknowledge or fulfil a claim for defects asserted by our customer (including reimbursement of expenses pursuant to sections 445a I, 439 II and III BGB), we shall notify the seller and request a written response, briefly explaining the facts of the case. If a substantiated statement is not made within a reasonable period and no amicable solution is reached, the claim for defects actually granted by us shall be deemed to be owed to our customer. In this case, the seller shall be responsible for providing proof to the contrary.

8.3

Our claims to supplier recourse shall also apply if the defective goods have been further processed by us or another entrepreneur, e.g. by installation in another product.

9. Manufacturer's liability

9.1

If the seller is responsible for damage to a product, it shall indemnify us from claims by third parties to the extent that the cause lies within its sphere of control and organization and the seller itself is liable in relation to a third party.

9.2

Within the scope of its obligation to indemnify, the seller shall reimburse expenses pursuant to section 683, 670 BGB that arise from or in connection with claims by third parties, including any recall actions carried out by us. To the extent that this is possible and reasonable, we will inform the seller of the content and scope of recall measures and give it the opportunity to provide a response. This is without prejudice to additional statutory rights.

9.3

The seller shall take out and maintain product liability insurance with a lump sum coverage of at least € 1 million (one million euros) per personal injury / property damage. If the seller does not maintain such insurance, it agrees either the enterprise or natural persons who are the primarily responsible managing directors or shareholders, as applicable, under the BGB will be made liable in full for damages if any.



10. Limitation period

10.1

To the extent not otherwise provided below, mutual claims of the contracting parties shall become statute-barred in accordance with applicable statutory provisions.

10.2

Contrary to section 438 I No. 3 BGB, warranty claims generally expire three years after the passage of risk. If acceptance has been agreed, the limitation period shall commence upon acceptance. The three-year limitation period shall also apply mutatis mutandis to claims based on defects of title, whereby this is without prejudice to the statutory limitation period for a real right of a third party on the basis of which return of the purchased thing may be demanded (section 438 I No. 1 BGB). Furthermore, claims arising from defects of title shall not become statute-barred as long as the third party can still assert the claim against us - in particular in the absence of a statute of limitations.

10.3

Limitations periods under the law of sales, including the above extension, shall apply to all contractual claims for defects to the extent permitted by law. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (sections 195, 199 BGB) shall apply in such cases, unless the application of the limitation periods under the law of sales leads to a longer limitation period in individual cases.

11. Choice of law and place of jurisdiction

11.1

The law of the Federal Republic of Germany applies to these terms and conditions, and contractual relationships between us and the seller, to the exclusion of the UN Convention on Contracts for the International Sale of Goods.

11.2

If the buyer is a merchant, a legal entity under public law or a special fund under public law, or if it has no general place of jurisdiction in the Federal Republic of Germany, the place of jurisdiction for any disputes arising from the business relationship between us and our seller shall be Peine. This is without prejudice to any mandatory statutory provisions on exclusive places of jurisdiction.

11.3

If one or more provisions of this contract are void or ineffective in whole or in part, this is without prejudice to the validity of the remaining provisions. Any such void and ineffective provisions shall automatically be replaced by applicable and legally-effective provisions that come closest to the economically intended purpose.

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