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GERINGHOFF

Purchasing Conditions 

Preface.


The Geringhoff Purchasing Conditions apply in their respective version for all business relationships with business partners and suppliers of Geringhoff.

Other general terms of business shall not apply even if they are not explicitly contradicted in individual cases. In addition to the Geringhoff conditions of purchase supplemental policies are required to accompany the Geringhoff procurement process with:

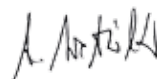
- *Supplier Guide Lines*
- *Logistics manual*



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Purchasing Conditions

of Carl Geringhoff GmbH & Co. KG

§ 1 Scope

1. All deliveries, services and proposals of our suppliers are based exclusively on these General Conditions of Purchase. These conditions are part of all contracts which we conclude with our suppliers on any delivery or service offered by them. They shall also apply to all future deliveries, services and proposals for the principal, even if they are not additionally and separately agreed.

2. Any general business terms and conditions of our suppliers or of any third party shall not apply, even if we do not explicitly and separately declare their invalidity in individual cases. In particular, acceptance of a delivery or payment for a certain delivery shall not be considered as an act of acknowledging any business terms and conditions of the supplier. Even if we refer to a document which contains the business terms and conditions of the supplier or of any third party or which refers to them, this does not imply our consent to the validity of those terms and conditions.

§ 2 Orders and Assignments

1. Any contract conclusion and modification or amendment, as well as any potential subsidiary agreement are required in writing.

2. Only orders placed in writing are legally binding. In the event of a verbal or telephone order, this order will only become legally binding if it is subsequently submitted in writing. Any difference between an order confirmation and an order requires our written confirmation.

3. In so far as our proposals do not explicitly include a validity period, we feel obliged to adhere to a validity period of one week from the date of proposal. The date on which we receive a declaration of acceptance in our company will count for evaluation, whether an acceptance letter has arrived within the validity period or not.

4. We are entitled to cancel the contract by written declaration with indication of reasons at any time, if we can no longer use the ordered products in our business due to circumstances which occurred after conclusion of contracts.

§ 3 Delivery time and delivery, transfer of risk

1. The scope of delivery is derived from the order.
2. The delivery time specified in the order (delivery date or period) is binding. Premature deliveries and partial deliveries are strictly inadmissible. However, we are entitled to request partial or advance deliveries.
3. The supplier is obliged to immediately inform us in writing, if any circumstances occur or become knowledgeable to the supplier, which result in the fact that the agreed delivery time cannot be met.
4. If the date at which delivery must be made at the latest can be determined based on the contract, then the supplier shall be in default upon expiry of this day, and no written reminder shall be required on our part.
5. In the event of a default in delivery, we shall be entitled to all statutory rights without any restriction. In particular, we are entitled to claim for compensation or to cancel the contract once an appropriate period of grace has lapsed without successful delivery.
6. As long as no different agreement has been made in writing, all deliveries shall be made "free buyers address".
7. The risk is only transferred to our company upon handing the goods over at the agreed destination, even if shipment has been agreed.

§ 4 Prices, terms of payment, invoicing data

1. The price specified in the order is binding. As long as nothing different is specified, all prices are considered as net prices excluding the currently valid VAT rate.

2. If not stated otherwise in writing, the price shall include delivery and transport “free buyers address” and including packaging.

3. As long as nothing different was agreed, we will pay the purchase price within 14 days from delivery of goods and receipt of invoices with a 3% cash discount, or within 30 days net. Prerequisite for this is that the ordered goods were received at the predefined destination and that the goods are free of defects.

4. All payments are made under reserve of any potential compensation claim due to any defect that might be detected at a later stage only.

5. Our ordering number, the parts number, delivery quantity and delivery address must be specified in all order confirmations, delivery documents and invoices. The VAT rate as applicable at the current point in time must additionally be specified in the invoice. Improper invoices might be rejected by our company and considered as not issued. If any improper invoice is accepted by us, and if processing the invoice is delayed within our regular business process due to missing information on the invoice, the payment terms indicated in section 3 shall be extended by the period of such delay. Our entitlement for a cash discount remains unaffected by this.

Should several invoices arise, they should be summarised to one collective invoice per calendar week.

§ 5 Reservation of ownership

1. We reserve the right of property respectively copyrights on all orders and assignments submitted by us, as well as on all drawings, pictures, calculations, descriptions and other documents made available to the supplier. The supplier must never make any of these items available to any third party, nor disclose them to any third party, use or copy them, be it by the supplier itself or by any third party.

Suppliers are entitled to ownership on the tools and pieces of equipment, as long as they are required for fulfilling their obligation to deliver to our company under the contract. Suppliers must return these documents

completely, including all potentially made copies, to us upon our request and under exclusion of any right of retention, if they are no longer required in the proper course of business of the supplier, if insolvency proceedings are filed regarding the estate of the supplier, or if negotiations do not lead to a conclusion of contracts. In these cases we are entitled to repossess all tools and pieces of equipment with immediate effect.

2. Any tools, equipment or models, which were provided by us to the supplier, or which are manufactured for the purpose of the contract, and are additionally charged by the supplier, remain in our possession or pass into our possession. They must be identified by the supplier as our property, be carefully stored and protected from any kind of damage, and only be used for the purpose of this contract. Suppliers are obliged to take out insurance for damage by fire, water and theft at the replacement value and at their own expense on all tools and pieces of equipment, and to submit a corresponding confirmation by the insurance company to us upon our first request. Any expenses for maintenance and repair of these items shall be borne by the supplier, as long as nothing different was agreed. As far as these costs are a result of defects of such objects manufactured by the supplier or of improper use on the part of the supplier, its employees or any other vicarious agent of the supplier, they must solely be borne by the supplier under all circumstances. The supplier must notify our company immediately of any other than insignificant damage to these objects. Following our request, the supplier is obliged to return these objects to us in proper condition, if they are no longer required for fulfilment of contracts concluded with us.

3. Any right of retention of ownership on the part of the supplier shall only apply as long as it refers to our obligation to pay for the corresponding products, on which the supplier reserves the right of ownership. Any kind of extended ownership retention is in particular inadmissible.

§ 6 Warranty

1. In the event of any defect, we are entitled to our statutory rights without any restriction. However the warranty period however amounts to 36 months, in this case.

2. By accepting or approving any submitted patterns or samples, we do not waive our right to warranty claims.

3. Upon receipt of our written notice of defects by the supplier, the limitation period for warranty claims shall be inhibited. In the event of replacement delivery or elimination of defects, the warranty period for replaced or repaired parts shall restart, except in cases where we had to assume from the behaviour of the supplier, that the supplier did not consider itself obliged to this activity, but carried out the replacement or defect elimination purely as an act of goodwill or for similar reasons.

§ 7 Product liability

1. The supplier is responsible for all claims asserted by any third party due to any personal injury or damage to property caused by any faulty product delivered by the supplier. In this case, the supplier is obliged to indemnify us from any liability resulting from this. If we are obliged to make a product recall with respect to any third party due to any defect of a product delivered by the supplier, all costs in connection with this product recall activity shall be borne by the supplier. We will inform the supplier of the contents and scope of such product recall activity to be carried out, as far as it is possible and reasonable, and will give the supplier an opportunity to submit a response statement. All other statutory rights remain unaffected.

2. The supplier is obliged to maintain a product liability insurance including a limit of indemnity of at least 3 million Euros per event of personal injury/damage to property. Proof of this insurance must be produced upon request.

§ 8 Industrial property rights

1. Suppliers are responsible for ensuring that no rights of any third party, be it directly or indirectly, are infringed in connection with their delivery, and that in particular, no copyrights and property rights are broken.

2. The supplier is obliged to indemnify us from all claims asserted by any third party against us due to any infringement of rights as specified in section 1 of this contract, and to compensate us for all expenses in connection with assertion of any such claims. This entitlement applies irrespective the fact, whether it is the fault of the supplier or not.

3. The supplier shall be obliged to immediately notify us if, according to the knowledge of the supplier, there is a possibility that any property right of any third party may be infringed by the goods the supplier has to deliver.

§ 9 Spare parts

1. The supplier is obliged to stock spare parts with respect to the products delivered to us for a period of at least 3 years after delivery.

2. If the supplier intends to discontinue the production of spare parts for products delivered to us, the supplier will notify our company immediately after making such decision on discontinuation.

§ 10 Non-disclosure

1. The supplier is obliged not to disclose any of the conditions of purchase or any of the information and documents made available to the supplier for this purpose (including any samples, models, pictures, drawings, sketches and data) to any third party, and only to use them for execution of orders and for the purpose shared between the supplier and the principal in this context. The supplier shall immediately return all documents and knowledge after completion of orders upon our request.

2. This obligation acc. to section 1 does not cover any information and knowledge for which the supplier can prove that:

a. they were known to him prior to the date of receipt;

b. they were made available to the supplier by any authorised third party at any point in time;

- c. they were public knowledge or publicly accessible prior to the date of receipt; or
 - d. they became public knowledge or publicly accessible after the date of receipt, without the supplier being responsible for it.
3. The supplier may not indicate the business relationship between us and the supplier or exhibit any delivered goods manufactured for us in any advertisements materials, leaflets, etc without our prior consent.
4. The supplier must swear their sub-suppliers and employees to secrecy according to para. 10 of this contract.

§ 11 Assignment of claims

The supplier shall not be entitled to assign any claims resulting from this contractual relationship to any third party. This does not apply if the claims concern outstanding debts.

§ 12 Place of fulfilment, jurisdiction, applicable law

1. The exclusive place of jurisdiction for all disputes arising from this contractual relationship is Ahlen in Germany.
2. The contracts concluded between our company and the supplier are subject to the law of the Federal Republic of Germany under exclusion of the United Nation's Convention on International Sale of Goods (CISG).
3. The place of fulfilment for delivery is the corresponding destination.
4. Should any part or provision of these General Conditions of Purchase be or become void, illegal or ineffective, this shall not affect any of the remaining provisions in any way.

You'll find the current version of our General Conditions of Purchase at www.geringhoff.de.

Ahlen, April 2016

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