

General Terms and Conditions of Purchase SUMITOMO ELECTRIC Hartmetallfabrik GmbH

§ 1 Area of application

(1) All deliveries, services and offers from our suppliers are made exclusively on the basis of these General Terms and Conditions of Purchase. These are part of all contracts that we conclude with our suppliers for the deliveries or services they offer. They also apply to all future deliveries, services or offers to the client, even if they are not separately agreed again.

(2) Terms and conditions of our suppliers or third parties do not apply, even if we do not separately contradict their validity in individual cases. Even if we refer to a communication that contains or refers to the terms and conditions of the supplier or a third party, this does not constitute our consent to the validity of those terms and conditions.

§ 2 Orders and contracts

(1) Insofar as offers from the supplier do not state a specific binding period, we assume a minimum binding period of 8 weeks after receipt of an offer.

(2) We are authorised to change the time and place of delivery as well as the type of packaging at any time by giving written notice of at least 7 calendar days before the agreed delivery date. The same applies to changes to product specifications, insofar as these can be implemented within the framework of the supplier's normal production process without significant additional expenditure, whereby in such cases the notice period according to the preceding sentence is at least 7 calendar days. We will reimburse the supplier for any proven and reasonable additional costs incurred as a result of said change. If such changes result in delivery delays that cannot be avoided in the supplier's normal production and business operations with reasonable effort, the originally agreed delivery date will be extended accordingly. The supplier shall inform us of the additional costs or delivery delays that it can expect after careful assessment in good time before the delivery date, but at least within 5 working days after receipt of our notice according to p. 1.

(3) We are authorised to withdraw from the contract at any time by giving a substantiated written declaration if we can no longer use the ordered products in our business or can only use them at significant expense due to circumstances attributable to the supplier (such as its failure to comply with legal requirements), or if the financial circumstances of the supplier deteriorate to such an extent after conclusion of the contract that delivery in accordance with the contract cannot be expected.

§ 3 Prices, payment terms, invoice details

(1) The price shown in the order is binding.

(2) Unless otherwise agreed in writing, the price includes delivery and transport to the shipping address specified in the contract, including packaging.

(3) If, according to the agreement made, the price does not include packaging and the cost of packaging - that is not on loan - is not expressly determined, this shall be calculated at the demonstrated own cost price. At our request, the supplier must take back the packaging at its own expense.

(4) Unless otherwise agreed, we will pay the purchase price within 14 days of delivery of the goods and receipt of the invoice with a 3% discount or within 30 days net. The receipt of our transfer order by our bank is sufficient to demonstrate the timeliness of payments owed by us.

(5) Our order number, article number, delivery quantity and delivery address must be stated in all order confirmations, delivery documents and invoices. Should one or more of these details be missing and thus our processing be delayed in the framework of our normal business activities, the payment deadlines specified in clause 4 are extended by the period of delay.

(6) In case of payment default, we owe default interest of five percentile points above the base interest rate in accordance with § 247 BGB (German Civil Code).

§ 4 Delivery time and delivery, risk transfer

(1) The applicable delivery time specified by us in the order or otherwise according to these General Terms and Conditions of Purchase (delivery date or deadline) is binding. Early deliveries are permitted.

(2) The supplier is obliged to inform us immediately in writing should circumstances arise or become apparent due to which the delivery time cannot be met.

(3) If the day on which delivery is to take place at the latest can be determined based on the contract, the supplier shall be in default at the end of that day without the need for us to issue a reminder.

(4) In case of delivery delay, we reserve the right to enforce unlimited statutory claims, whereby we can only exercise the right to withdraw from the contract or assert claims for damages in lieu of performance after a reasonable grace period has expired.

(5) In case of delivery delays, we are authorised, after prior written warning to the supplier, to demand a contractual penalty of 0.5%, maximum 5%, of the respective order value for each commenced week of delivery delay. The contractual penalty is to be added to the default damages payable by the supplier.

(6) The supplier is not authorised to make partial deliveries without our prior written consent.

(7) Even if shipping has been agreed, the risk only transfers to us when the goods are handed over to us at the agreed destination.

§ 5 Ownership protection

(1) We reserve the ownership or copyright to orders placed by us, as well as to drawings, illustrations, calculations, descriptions and other documents made available to the supplier. The supplier may not make said documents accessible to third parties, use or reproduce them itself or allow third parties to do so, without our express consent. The supplier must return said documents to us in full at our request if it no longer requires them in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. In such a case, copies made by the supplier must be destroyed; the only exceptions to this are for storage within the framework of statutory retention requirements and the storage of data for security purposes within the framework of normal data backup.

(2) Tools and models that we make available to the supplier or that are manufactured for contractual purposes and for which the supplier invoices us separately become or remain our property. The supplier will mark such tools and models as our property, store them carefully, protect them appropriately against damage of any kind and only use them for contractual purposes. Unless otherwise agreed, the contractual partners each bear half of maintenance and repair of said tools and models. However, if such costs are due to defects in items manufactured by the supplier or to improper use by the supplier, its employees or other vicarious agents, they are payable by the supplier alone. The supplier will notify us immediately of any significant damage to these tools and models. At our request, the supplier undertakes to return said objects to us in good condition if it no longer requires them for the fulfilment of our contracts.

(3) Reservations of title by the supplier only apply insofar as they relate to our payment obligation for the respective products to which the supplier reserves title. In particular, expanded or extended reservations of title are unauthorised.

§ 6 Warranty claims

(1) We reserve unlimited legal rights in case of defects. In deviation from this, however, the warranty period is 30 months.

(2) Quality and quantity deviations are in any case reported in good time if we notify the supplier within 30 calendar days of receiving the goods.
Hidden material defects are in any case reported in good time if we notify the supplier within 10 working days of their discovery.

(3) We do not waive warranty claims through acceptance or approval of submitted models or samples.

(4) Upon the supplier's receipt of our written notice of defects, the statute of limitations for warranty claims is suspended until the supplier rejects our claims or declares said defects corrected or otherwise refuses to continue negotiations on our claims. Upon replacement deliveries and defect correction, the warranty period for replaced and corrected parts recommences, unless we had to assume, based on the supplier's behaviour, that it did not feel obliged to take such measures, but only undertook replacement delivery or defect correction for reasons of goodwill or the like.

§ 7 Product liability

(1) The supplier is responsible for all claims asserted by third parties for personal injury or property damage that can be traced back to a defective product it supplied and undertakes to indemnify us against any liability resulting therefrom. If we are obliged to carry out a product recall vis-a-vis third parties because of a defect in a product delivered by the supplier, the supplier bears all costs associated with said recall.

(2) The supplier undertakes to maintain product liability insurance at its own expense with a coverage of at least € 5 million, which, unless otherwise agreed in individual cases, need not cover the risk of recall or punitive or similar loss. The supplier will send us a copy of the liability policy at any time at our request.

§ 8 Industrial property rights

(1) In accordance with clause 2, the supplier guarantees that the products it supplies do not infringe any third-party property rights in European Union countries or countries in which it manufactures the products or has them manufactured.

(2) The supplier undertakes to indemnify us against all claims of third parties against us due to infringement of industrial property rights as mentioned in Clause 1 and to reimburse us for all necessary expenditures related to such claims. This does not apply if the supplier demonstrates that it is neither liable for said infringement of property rights nor should have been aware of the infringement of said rights at the time of delivery on the basis of commercial due diligence.

(3) Our further legal claims due to legal defects in the products delivered to us remain unaffected.

§ 9 Spare parts

(1) The supplier undertakes to provide spare parts for the products delivered to us for at least 2 years after delivery. Machinery and investment goods are treated separately regarding availability of spare parts.

(2) If the supplier decides to discontinue production of spare parts for products delivered to us, it will inform us of this immediately after making such a decision. This decision must - subject to clause 1 - be made at least 6 months before cessation of production.

§ 10 Confidentiality

(1) The supplier undertakes to maintain confidentiality regarding the terms of the order and all information and documents provided to it (except for publicly accessible information) and to use them only to execute the order. It will return said information and documents to us immediately upon our request after completion of orders.

(2) Without our prior written consent, the supplier may not refer to our business relationship in advertising materials, brochures, etc. and may not exhibit delivery items manufactured for us.

(3) The supplier will oblige its sub-suppliers in accordance with this § 10.

§ 11 Assignment

The supplier is not authorised to assign its claims from the contractual relationship to third parties. This does not apply if it concerns monetary claims.

§ 12 Compliance with laws

(1) The supplier undertakes to comply with relevant statutory provisions in connection with the contractual relationship. This applies particularly to anti-corruption and money laundering legislation as well as antitrust, labour and environmental protection regulations.

(2) The supplier will ensure that the products it delivers meet all relevant requirements for placement on the market in the European Union and the European Economic Area. It must demonstrate such conformity to us on request by submitting the appropriate documents.

(3) The supplier will make reasonable efforts to ensure that its sub-suppliers comply with the obligations applicable to the supplier in this § 12.

§ 13 Place of fulfilment, legal venue, applicable law

(1) Place of fulfilment for both parties and sole legal venue for all contractual disputes is Lauchheim. However, we are also authorised to institute proceedings against the supplier at its place of business.

(2) The laws of the Federal Republic of Germany apply to all legal relationships between us and the supplier, with the exclusion of the CISG (UN Convention on Contracts for the International Sale of Goods).

§ 14 Language Clause

These General Terms and Conditions are available in German and English. In case of dispute, the German version is the determinant version.

SUMITOMO ELECTRIC Hartmetallfabrik GmbH

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