



General Purchasing Conditions

for

A+F Automation & Fördertechnik GmbH

Industriestr. 11-13, 32278 Kirchlengern, Germany

The development of projects, offers and tenders is generally, in the absence of individual contractual arrangements, carried out by the Contractor for the Client free of charge and without obligation.

These Purchasing Conditions shall be the basis for all purchases by A+F Automation & Fördertechnik GmbH (hereinafter referred to as the "Client") – unless otherwise agreed by a specific contract. These conditions shall be deemed as accepted by the Contractor as soon as services have started to be provided. In addition to these General Purchasing Conditions, the laws of the Federal Republic of Germany shall apply, in particular the provisions of the Civil Code and the Commercial Code. Any conflicting, deviating or supplementary conditions from the Contractor shall only be binding between the parties if the Client has previously agreed to them in writing.

I. Orders, Incoterms

1. Orders are only binding if they have been issued in writing by the Client's purchasing department. This also applies to the effectiveness of other declarations.
2. Unless otherwise agreed, the delivery shall be made by the Contractor to the Client's location, in accordance with Incoterms 2010 DDP.



3. An order shall be executed and paid for only to the extent specified in the written order. Any further services must be established through written agreements with the Client's purchasing department.

II. Scope of services

1. The Contractor is responsible for ensuring that his contractual performance is functional and suitable for the intended use. The Contractor shall be responsible for keeping informed about any relevant factors, including existing preconditions or peculiarities of the building or assembly site. By accepting or approving drawings and other documents, the Client does not waive his rightful contractual or legal claims.
2. The performed service must comply with the relevant legal provisions (in particular the Equipment Safety Act), safety and accident prevention regulations, existing directives and regulations, as well as the recognised rules of sound engineering practice. The Client shall have the right to check the production process at any time, to object to improper execution, and to reject defective parts from the outset.
3. The Contractor shall comply with the provisions of the ElektroG (the German Law Governing the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment). The Contractor shall also acknowledge the obligations for the Client resulting from this law and support the Client during the fulfilment of these obligations – insofar as these are not transferable. In particular, the Contractor is obliged to attach, at no cost, the manufacturer's label to the object of this contract, in accordance with § 7 clause 1 of the ElektroG, as specified by the Client. The Contractor shall also label the contractual object with the symbol specified in § 7 clause 2 of the ElektroG in conjunction with Annex 2 of the ElektroG, as specified by the Client.



4. The scope of services includes:

- That the service to be rendered and its exploitation by the Client or by third parties shall remain unencumbered by the rights (e.g. patents) of third parties or the Contractor, or that the Client shall receive a license allowing unlicensed sub-delegations;
- That the Client has the ability, free of licence, to carry out repairs and modifications to the service himself or to initiate such by third parties, and that replacement/spare parts may be manufactured by the Client or by third parties;
- That the Client has the ability, free of licence, to demand and to use the Contractor's manufacturing documents related to the production of the contractual object for the Client or for a Client's third party, in the event that the Contractor has not fulfilled his contractually specified services after a suitable grace period has passed.
- Requests for changes made for the purpose of confirming the requirements specified under Section II numbers 2 and 3 shall be carried out free of charge by the Contractor. If requested changes may have an adverse effect on the technical specifications, then the Contractor must inform the Client immediately in writing after checking the change request. At this time, cost changes may be established and communicated in writing to the Client's purchasing department.
- The Contractor is only entitled to additional claims or schedule changes resulting from the revised scope of services when a corresponding supplementary agreement with Purchasing has been made in writing prior to execution. Any services performed without an order, which deviate from the contract or extend beyond the contract, shall not be reimbursed.
- When there is doubt, the Contractor shall provide evidence that his service meets the agreed requirements.



III. Transfer of working documents and tools

1. Any working documents, tools, moulds, samples, models, drawings, 3D data (including 3D views), photos, standard sheets, print templates (also when in electronic form), and the like, which have been transferred from the Client shall remain the property of the Client. Such objects, along with any other objects subsequently manufactured, may not be published, transferred to a third party, or used for any purpose other than those specified in the contract, without the express written consent of the Client. In particular, the above-mentioned working documents and tools may not be used for the fulfilment of contracts with third parties. Tools, moulds and the like, which are made at the expense of the Client, shall become the property of the Client after payment has been received.
2. The Contractor, along with all of his workers, shall treat all working documents received from the Client with full confidentiality and shall not disclose any such documents to third parties without the express written consent of the Client. The Contractor shall not disclose to third parties any of the business processes, facilities, equipment, documents, etc. which have been revealed by the Client or his customers in conjunction with work performed for the Client, even after delivery of the respective offers or completion of the contract. He shall impose the appropriate obligations upon his personnel and vicarious agents accordingly.
3. If copyright violations become known to the Contractor from other business relationships which are to the detriment of the Client, then the Contractor shall immediately inform the Client in writing.



IV. Price, packaging, shipping

1. When there is no written agreement, the prices include delivery costs (DDP to place of destination), packaging and all other ancillary costs which are necessary for the contractually agreed services standards of achievement, excluding VAT. The agreed prices are fixed prices which remain valid when the scope of contractual services is modified from the order, unless other prices are agreed in writing with the Client's purchasing department. The agreed prices cover all ancillary services, in particular the provision and write-off of all equipment and tools of the Contractor.
2. Shipping instructions should be included on the delivery notice so that they are clearly visible.
3. The Client states bindingly that he is insuring himself and that he is exempted from the mandatory freight forwarders' insurance.

V. Delivery deadlines, fulfilment, visitation rights

1. The delivery deadlines are agreed and made binding in the written order confirmation of the Contractor. The order confirmation must be sent by the Contractor within 3 business days to the Client. Delivery deadlines are fixed dates and must be observed. If the Contractor declines to create an order confirmation within 3 working days, then the fixed dates specified in the order shall be considered agreed dates, then he must inform the Client immediately in writing.

This immediate notification does not cause the Client to forgo the assertion of rights; it should, however, prevent the occurrence of further damages.



2. If there is a delay in delivery, the Client is entitled to impose a penalty upon the Contractor of 0.5% of the total order value for each calendar day of delivery or service delay, but not exceeding 10% of the total order value. The Client reserves the right to request compensation for damages in excess of this penalty (e.g. in the event that a customer's purchase contract from the Client was cancelled because of a delivery delay caused by the Contractor).
3. The place of performance for all services related to this contractual relationship is the location designated by the Client. If a location is not specified by the Client, then the Client's headquarters location shall be assumed.
4. The specified shipping addresses must be observed. Upon delivery, a single copy of the delivery notice (with an accurate description of the delivered good) shall be given to the Client. Partial deliveries must be expressly marked as such. The shipping documents shall clearly specify the order number, subject and other particular information relating to the order.
5. The Contractor shall grant the Client visitation rights to his production facilities, during business hours, so that inspections related to the ordered goods can be made.



VI. Invoicing and payment

1. Unless otherwise agreed, the payment shall be made within 15 calendar days with a 3% discount, or in 60 days after date of invoice.

The Client may choose the method of payment. The time that the invoice and goods are received is the significant factor when calculating the payment and discount deadlines. A delivery made before the agreed date does not affect the payment deadline linked to the agreed delivery deadline. The goods must be delivered complete with all documents (test certificates and other documents).

2. If the Client is making payments to the Contractor of more than € 20,000, such payments must generally be secured by the Contractor with a bank guarantee until the delivery to the Client is completed. This bank guarantee must be submitted with the first partial invoice. In individual cases, deviating regulations require the express consent of the Client's purchasing department.
3. Documents used by the Contractor during business with the Client (such as invoices and delivery notices) must contain the following information: address and contact details of the Contractor, order number, article number, quantity, quantity unit, vendor number, complete article name, item number, weight and VAT ID number of the Contractor.

VII. Assignment / offsetting clause

Without the prior written consent of the Client, the Contractor shall not be entitled to transfer the execution of the contract or his contractual claims (in whole or in part) to third parties.

If the Contractor assigns his contractual claims against the Client to a third party without the consent of the Client, then the assignment remains valid. The Client may, at his discretion, make the payment to the Contractor or to the third party. Subcontractors shall be identified by name to the Client upon request.



VIII. Confidentiality and non-competition clause

The Contractor is obliged to inform the Client in writing of all existing and future business relationships with third parties who are in a competitive relationship with the Client.

Both parties shall maintain the confidentiality of all non-public information related to the other contractual party that become known to them through the business relationship. Both parties may not use such information for their own purposes or for third-party purposes. Additional or other legal obligations related to confidentiality remain unaffected.

Transferred electronic data media, patterns, templates, drawings etc. shall be returned to the Client at the written request of the Client after the order has been executed. The right of retention for such items is excluded. Likewise, the equipment and tools used for the service fulfilment and provided by the Client (whether purchased in part or fully and/or produced using the Client's expertise) shall be kept secret.

The confidentiality obligation also applies after completion of the contract; it expires when and if the information contained in the transferred models, templates, samples, data, illustrations, drawings, calculations, tools and other documents becomes general knowledge and neither of the contractual parties is aware of a violation of legal obligations.

All documents provided to the Contractor by the Client for fulfilling the service shall remain the property of the Client. On request by the Client, they must be returned to the Client or destroyed, along with all copies, transcripts, etc. that have been made. The reproduction of such items is only permitted within the scope of operational requirements and copyright provisions. As such, the right of retention is excluded.

Subcontractors of the Contractor shall be similarly obliged.



IX. Warranty

1. The Contractor shall guarantee that his delivery complies with the contractual requirements and is not affected by errors which would cancel or reduce the value or suitability for normal or contractually assumed usage. The performed service must comply with the intended usage, the current state of technology, the DIN/EN standards, and the relevant provisions from the authorities and professional associations.
2. Unless otherwise agreed, the warranty period is 24 months; the warranty period for work and services to land and buildings is 5 years. For reworked or replaced parts, the warranty period starts anew from the date at which the Contractor's service meets the contractual conditions.
3. If components and products are being delivered which will be processed further by the Client and later transferred to the Client's end user, then the Contractor's warranty period for these parts begins with the acceptance of the delivered goods at the Client's end user. In all other cases, the warranty period starts with the delivery to and receipt by the Client.
4. All defects or complaints reported within the warranty period must be addressed by the Contractor with either a repair or defect-free replacement. Costs for the disposal, repair or replacement delivery, including all incidental costs such as transportation and travel costs to the Client's end user, shall be covered by the Contractor.
5. If the Contractor does not fulfil his warranty obligations as specified by the contract, then the Client is entitled to carry out the necessary measures at the expense of the Contractor. In particular, the Client himself may replace damaged parts or have them replaced by a third party. Rights to damages, cancellation or reduction remain unaffected.



X. Product liability

If the Contractor is responsible for damage due to product liability, he is obliged to indemnify the Client from compensation claims from third parties. The Client shall inform the Contractor of the assertion of such claims for damages.

The Contractor must maintain sufficient product liability insurance (personal, property and pecuniary damage) to cover his manufactured products and delivered services. At the request of the Client, the Contractor must show an appropriate certificate of insurance that provides information on the amount and extent of his insurance coverage.

XI. Withdrawal, termination and suspension

1. Subject to the rights of the Client, in the event of a breach of contract by the Contractor, the Client is entitled to withdraw from the contract, in whole or in part, without giving any reason. In such a case, the Client shall pay appropriately for all services provided, material procured and work performed; the rules from German Civil Code § 649 (BGB) also apply here. Further claims are excluded. The Client is particularly justified to withdraw in the event that a judicial insolvency proceeding is being pursued for the Contractor's assets, or when the service provider is not making payments. The Client has the right to take over, on reasonable terms, the material and/or semi-finished products including any special equipment. Further claims by the Contractor are excluded.



XII. Miscellaneous

1. If any individual provision of these conditions be wholly or partially ineffective, these conditions shall continue to apply in all other respects. A new provision which comes closest to the intended legal and economic intent of the invalid provision shall be used as a replacement.
2. The current laws of the Federal Republic of Germany – excluding, however, the law on the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG) – shall apply for all legal relationships between the Client and the Contractor. The court of jurisdiction for all disputes shall be in Herford, Germany. The Client is also entitled to sue the Contractor at his location of general jurisdiction.