

General conditions of purchase of Christian Pfeiffer Maschinenfabrik GmbH, Beckum

(As per: December 2014)

§ 1

General – Scope

1. All our orders and contracts are governed exclusively by our general conditions of purchase as below. Other conditions of the contractor shall not become subject terms of the contract, even if we do not expressly contradict them or accept the delivery without reservation in the knowledge of conflicting conditions of the contractor.
2. If these purchasing conditions have become part of a contract, they shall also apply to later contracts. This also applies even if they are not expressly agreed in connection with the completion of these later contracts.
3. General terms and conditions of the contractor deviating from these purchasing conditions shall not become part of the contract.
4. All orders, undertakings and ancillary agreements as well as subsequent contract amendments and additions shall only be valid if they are confirmed by us in writing. Any modifications of this clause also require a written confirmation.

§ 2

Prices

The prices specified in the purchase order are fixed prices and include all ancillary services necessary for the performance of the contract (e.g. free transport, packing, insurance, testing costs). The agreement on the place of destination is not affected by the type of pricing. VAT is not included in the price.

§ 3

Invoicing - Payment

1. Invoices are to be submitted in duplicate to our address after service provision, if nothing else is agreed. Our order number and commission number are always to be specified in the invoices, delivery notes and all other documents. If the contractor fails to do this, then any resulting disadvantages shall be borne by him.
2. We pay, unless otherwise agreed in writing, within 14 days after delivery and receipt of invoice with 3% discount or within 30 days after delivery and receipt of invoice net.
3. Our payments of invoices do not constitute acknowledgement of the respective invoice amount and performance as contractually compliant.
4. We are entitled to set-off and retention rights to the statutory extent.

§ 4
Deadlines

1. The delivery time specified in the order is binding and must be adhered to.
2. The contractor is obliged to inform us immediately in writing if circumstances arise or are recognisable to him, which mean that the agreed delivery time cannot be met. In the case of delay in delivery, we are entitled to the statutory claims. We are in particular entitled to demand compensation for damages instead of performance and rescission after fruitless expiry of a reasonable grace period. If we demand compensation for damages, the contractor is entitled to prove that he is not responsible for this breach of duty. Our claim to a contractual penalty remains unaffected by this.

§ 5
Proof of origin - Export restrictions

1. Proofs of origin (e.g. certificates of origin, supplier's declarations, framework movement certificates, in the context of the EU or 11th of the country of origin provisions) shall be accurately and properly held by the contractor and promptly made available to us.
2. The contractor will inform us immediately, if a delivery item is wholly or partially subject to export restrictions according to the EU, the German, or an other (e.g. U.S.) international trade law.

§ 6
CE marking and EU Declaration of conformity

If it is required by law, the contractor shall provide the delivered product with the required CE marking, include an EC declaration of conformity or a manufacturer's declaration according to the EU directive for machinery 2006/42/EC with the delivery.

§ 7
Spare and wear parts

1. The contractor ensures our supply with spare and wear parts for the products supplied by him for a period of 10 years from the date of delivery. After the expiry of a supply of spare and wear parts, the contractor will always inform us in writing promptly in advance.
2. If we repeatedly order a particular product from the contractor, the contractor shall indicate in writing before delivery any changes he makes to his product. The same applies if the contractor obtains the product or parts thereof from a third party and the third party makes changes which are recognisable to the contractor.

§ 8
Warranty

1. The contractor shall ensure that the delivery item has the contractually agreed properties, the recognised rules of technology as well as the valid statutory and official regulations, in particular complies with the relevant environmental protection, accident prevention and health and safety regulations and does not possess defects, which void or reduce the value or the suitability for ordinary use or the use implied by the contract.
2. If the Regulation (EC) No 1907 / 2006 of the European Parliament and of the Council from the 18th December 2006 ("REACH regulation") applies in the currently valid version to the delivery item, the contractor warrants that the delivery item corresponds to the requirements of the REACH Regulation (including registration). If a claim is made against us by third parties, including public authorities, on the basis of non-compliance with the REACH regulation, the contractor undertakes to indemnify us from this. The contractor is obliged to inform us about any changes in

the REACH standards of the delivery item (e.g. updated safety data) without delay and unasked.

3. We are entitled to the unabridged statutory guarantee claims. In any case, we are entitled to request from the contractor at our discretion immediate rectification or replacement with a defect-free item. The contractor shall bear all costs and expenses incurred in connection with the subsequent performance. We expressly reserve our right to compensation, in particular the right to claim damages instead of performance.
4. We are entitled to carry out the defect repair ourselves at the expense of the contractor, without prejudice to the liability for defects, if there is imminent danger or special urgency and for one of these reasons it is not possible to request the contractor to remedy the defect while setting a deadline. In such a case, we will notify the contractor of the corresponding defects as far as possible and reasonable. A special urgency can be given by one of our customers in particular to prevent a cost causing downtime. The contractor is reminded of the special cost risk, which arises from the fact that we deliver equipment worldwide to our customers.
5. The contractor shall ensure the installation and maintenance of a recognised quality assurance system and prove this on request.
6. The goods will only be inspected for their type and quantity with regard to the above requirement of the contractor from section 5, as well as external damage, which the goods suffer as a result of transportation. The contractor shall be informed immediately of any faults. The complaint is brought in due time if it is done within a period of 10 days after discovery of the defect.

§ 9

Industrial property rights

1. The contractor guarantees that his deliveries are free of third party rights, and in particular do not violate industrial property rights such as patents, utility models, trademarks, third party name rights.
2. If a claim is made against us by a third party because of violation of these rights, the contractor shall be obliged to indemnify us from these claims on first written request, as well as pay for all costs and damages resulting from the contractual use or resale of the goods.
3. Materials provided by us, such as for example patterns, drawings, models, profiles, data carriers and the like, remain our property. They are copyrighted and must - as well as the subsequently manufactured goods - neither be passed on to third parties nor used for these or for promotional purposes without our consent. Even after the expiry of the contractual relationship, contraventions are liable to damages and shall entitle us to withdraw fully or partially from the contract without compensation.

§ 10

Contractual penalty

1. For a culpable exceeding of the agreed delivery date, the contractor shall pay us a contractual penalty of 0.5% of the net price of the delivery of each week exceeding the delivery date, up to a maximum of 5% of the net price of the delivery.
2. The above penalty can also then be applied by us, even if no reservation is declared when the delivery is accepted. The contractual penalty may only be demanded on the final payment of the delivery, if we reserve the right to do so by the final payment.

3. Any forfeited contractual penalties may be demanded as a minimum amount of damage which is due for the same breach of duty. The assertion of claims for further damages is not ruled out, any paid contractual penalties are however to be taken into account.
4. The acceptance of the continuation of offence is excluded.
5. In the case of exceeding the agreed upon date of delivery only with a part of the due delivery, the above regulations on the contractual penalty apply accordingly.

§11 Insurance

The contractors shall at his expense take out a sufficient liability insurance for damage, which is caused by his personnel, his representatives, or by the delivery item. The amount of cover for each damage event is to be notified to the orderer on request.

§12 Force majeure

Events of force majeure, which also includes war and similar cases as well as every kind of operational disturbances, strikes, lockouts and other causes or events, which cause a restriction or a closure of our business, entitle us to postpone the fulfilment of the obligations to take delivery assumed by us or wholly or partially to withdraw from the contract, without any claims for damage compensation being able to be justifiably brought against us.

The restriction or closure of our business due to force majeure also applies if the events of force majeure exist in the area of our end customer, to whom the equipment and/or components are to be supplied.

§ 13 Place of fulfillment – Applicable Law – Court of Jurisdiction

1. The place of fulfillment is the place to which the goods are to be delivered or where the service is to be provided.
2. German law applies exclusively under exclusion of the UN sales law and the German international private law (IPR).
3. The court of jurisdiction for all disputes arising from the contractual relationship with us is 59269 Beckum, or at our discretion the general court of jurisdiction of the contractor.

§ 14 Severability clause

1. Additional agreements require the written form. There are no verbal ancillary agreements.
2. If any provision of this contract should be or become wholly or partially ineffective, then the validity of the other provisions shall be unaffected thereby. The contractor and we must strive together to find an effective provision, which economically comes closest of the invalid provision.