

BURGHARDT + SCHMIDT GmbH

Purchase and Payment Conditions

I. Authoritative conditions

1. These Purchase and Payment Conditions apply for all transactions with the supplier or other contractors (hereinafter collectively referred to as "Supplier"), even if they are not mentioned in later contracts.
2. Changes to these Purchase Conditions, particularly deviating or supplemental general terms and conditions of the Supplier are hereby rejected. They also apply if the Supplier refers to their own general terms and conditions on acceptance of the order or in the order confirmation, unless they were expressly approved by us in writing. Silences on our part following order confirmations that refer to deviating or supplemental general terms and conditions is not approval. Such general terms and conditions do not become valid for us with the implementation of the order. Any change from our purchase conditions in an order confirmation is equivalent to rejection of our order. If delivery takes place in this case, it applies as approval of our Purchase Conditions.
3. All agreements made between us and the Supplier for the purpose of executing this contract are recorded in writing.

II. Order issuing, order confirmation

1. An order does not apply as issued until it has been placed by us in writing and either signed or transmitted by us electronically. Verbal orders or orders placed by telephone are only binding for us if we provide confirmation by subsequently sending a written order.
2. We are only bound to an order if it is expressly confirmed by the Supplier within a period of 10 days of receipt of our order; otherwise we are entitled to cancellation.
3. The order confirmation must confirm the price and delivery date, in particular.
4. Drawings, figures, calculations specified by us in the individual case, including tolerance specifications, are binding. With acceptance of the order, the Supplier recognises that they have informed themselves about the type of execution and scope of the service by viewing the provided plans. If there are obvious mistakes, clerical errors and calculation errors in the documents, drawings and plans submitted by us,

there is no liability for us. The Supplier is obligated to notify us of such errors so that our order can be corrected and placed again. This also applies to missing documents or drawings.

5. Changes, deviations in quantity and quality, supplements, and verbal side agreements only apply if they are confirmed by us in writing.

III. Prices, delivery note, invoice

1. The agreed prices are fixed prices excluding value-added tax, which include the costs of delivery carriage paid, packing and insurance, as well as the customs or duties to be paid.
2. If, in an exceptional situation, pricing is agreed upon ex works/stock of the Supplier, the Supplier must select the mode of transportation specified by us; otherwise, the mode of delivery and transport that are most beneficial for us must be selected.
3. Increases, regardless of the reason, are only recognised if an express agreement has been made in this respect.
4. The Supplier must provide the properly filled-in delivery note with the shipment. Invoicing must take place separately for each delivery. Invoices do not apply as a delivery note.

IV. Delivery, transfer of risk

1. All services necessary for error-free delivery and/or error-free production and assembly processes are also part of the scope of services of the Supplier if they are not expressly specified in the contract.
2. The documentation that is customary within the industry in electronic form and hard copy are a part of the scope of supply with the delivery of machinery and components, installations, maintenance and assembly. The documentation must correspond to generally recognised good engineering practices and the standards and statutory regulations that are applicable at the time of delivery (particularly the EC Machinery Directive, insofar as applicable). The rules, standards and statutory regulations in Germany and any additional requirements in the specified location for the delivery/service and/or the specified final destination of our delivery/service to the customer are authoritative.
3. With purchase contracts, the risk transfers to us with the handover of the delivery item at the specified delivery location; with work contracts the transfer of risk takes place upon acceptance.

Receipt is not a substitute for the declaration of acceptance.

V. Delivery dates and default in delivery

1. The dates specified in the order or otherwise agreed upon are dates for receipt/completion of delivery and are binding. The period begins on the date of the order. The receipt of goods at the delivery address specified in the order is authoritative for adherence to a date or a delivery period.
2. If delays should be expected, the Supplier must notify us of this immediately in writing and await our decision to cancel or uphold the order.
3. If, at the time of the due date or after the due date, there is already justifiable doubt in the Supplier's capacity or motivation e.g. because the Supplier does not adhere to schedules or cannot or will not provide delivery or services on time, we can set a grace period before or after the due date for a statement by the Supplier on their capacity or motivation, with proof, if necessary. After an unsuccessful lapse of the grace period, we can withdraw from the contract in accordance with Article 323 of German Civil Code and/or demand compensation for damages instead of performance in accordance with Articles 280 and 281 of German Civil Code. This takes place without prejudice to claims and rights remain.
4. In case of default in delivery, we are additionally entitled to demand a contractual penalty of 1% of the delivery value per completed week, however, total penalty is limited to 5% of the order value. The contractual penalty is credited against damage claims to which we are entitled in addition to this contractual penalty. The reservation of the contractual penalty in accordance with Article 341 III of German Civil Code can be asserted by us for the final payment on the basic contractual relationship, however, within 10 work days after acceptance of the fulfilment.
5. Partial or advance deliveries are only permitted with our consent. Additional costs arising in this connection shall be borne by the Supplier. We are not obligated to acceptance before the delivery date.

VI. Payment conditions, assignment of claims

1. Payment takes place after receipt of all goods or services free from defects and after receipt of the invoice. This applies accordingly for partial deliveries. Delays that arise due to incorrect or incomplete invoices or delivery notes occur at the expense of the supplier and, in particular, have no effect on discount periods.
2. Insofar as payment has been made within 14 days, calculated from the time of delivery and receipt of invoice, a discount of 3% is agreed upon; the net invoice amount is due for payments made within 30 days.

3. With acceptance of premature deliveries, the due date of the payment is based on the agreed delivery period.
4. The Supplier's claims towards can only be assigned to third parties with our consent. If the Supplier assigns their claims to a third party without our consent, the assignment is still valid. However, we are entitled to settle the claims with the Supplier or third party according to our discretion.
5. We are entitled to offsetting and retention rights to the full extent stipulated by law. In the case of insolvency of one of the parties, it is agreed in accordance with Article 94 of German Insolvency Code that claims of the other party become due for payment with the initiation of the insolvency proceedings. In the case of a court order for preliminary insolvency proceedings, the due date corresponds to the court order.

VII. Claims for defects

1. The Supplier undertakes to provide their deliveries and services free from material defects and defects in title. The deliveries and services must be provided, in particular, in accordance with recognised good engineering practices and the contractually agreed characteristics, as well as in compliance with applicable DIN, VDE, VDI or comparable standards. They must also be provided in a manner such that they conform to statutory requirement for machinery, technical equipment and safety, occupational safety, accident prevention and other regulations. The regulations, standards and provisions in Germany and any additional requirements in the specified location for the delivery/service and/or the specified final destination of our delivery/service to the customer are authoritative. The freedom from defects also extends to the final destination specified by us.
2. Unless something different is regulated here, the warranty and period of limitation are based on legal regulations. The Supplier is particularly liable for ensuring that the delivery has the agreed characteristics at the time of the transfer of risk. The product descriptions upon which our order is based, which are the subject matter of the respective contract or which were incorporated in the contract in the same manner as these Purchase Conditions. It makes no difference whether the product description originates from us, the seller or the manufacturer.
3. The statutory requirements (Articles 377 and 381 of German Commercial Code) on the due diligence of inspection and notification of defects apply with the following conditions: The duty to inspect is limited to defects that are obvious during our incoming goods inspection in an external assessment and our quality control (e.g. incorrect deliveries or incorrect quantities, transport damage). There is no duty of inspection insofar as acceptance has been agreed upon. The notification period for defects that are not recognisable during the inspection is three (3) weeks after discover of the defect.

If a longer period is reasonable in the individual case, the longer period shall apply. Payment does not equate to acceptance of the delivery as contractually compliant and free from defects.

4. The Supplier must review our plans, drawings and other specifications for the execution of the service or materials and components supplied by us or services of other suppliers, insofar as they are pertinent, for completeness, correctness and suitability for the intended purpose. The Supplier must notify us immediately of any concerns. Should the Supplier fail to do so, we remain entitled to claims for defects in this respect without prejudice to damage claims for other reasons. The approval of technical documentation of the Supplier in the course of order execution does not relieve the Supplier of their duty to provide delivery and services free from defects.
5. We are entitled to demand remedy of defects or replacement delivery from the Supplier according to our discretion. In this case, the Supplier must bear the additional expenses that are necessary for the purpose of remedy of defects or replacement delivery. If the Supplier fails to immediately remedy defects or provide replacement delivery after a reminder and the setting of a grace period, or the Supplier only carries out these measures inadequately, or the Supplier is unable to carry out these measures or immediate remedy of defects is necessary for an urgent reason, we can return the goods at the risk of the Supplier and/or arrange for remedy of defects and/or the Supplier shall bear covering purchases. Costs arising in this connection shall be borne by the Supplier. The right to compensation for damages, particularly compensation for damages due to non-fulfilment is expressly reserved.
6. The period of limitation for warranty claims is 36 months from the transfer of risk, if nothing different has been agreed upon in the individual contract. The statutory requirements for obstruction and the new beginning of a period of limitation are also applicable.
7. The Supplier is liable for damage claims that are not based on the delivery item itself if they are based on intent or gross negligent on the part of the Supplier or they are entitled to coverage in the scope of liability insurance or product liability insurance policies. The Supplier must provide us with information in this respect immediately.

VIII. Product liability

1. If the Supplier is responsible for product damage, they shall be obligated, on the initial request, to indemnify us from damage claims of third parties in this respect, as the cause originates in the Supplier's area of control and organisational area and they are liable in the external relationship.
2. In this scope, the Supplier is also obligated to reimburse any expenses that we have incurred from or in connection with a recall that we have initiated in accordance with Article 683 and 670 of German

Civil Code. If, in connection with an error caused by the Supplier, claims are asserted against us by third parties based on product liability or we are obligated to product warnings or recalls according to legal requirements, the Supplier shall indemnify us in the internal relationship from all claims of third parties, bear all resulting costs and assist us in the defence against claims, particularly with provision of all useful information and documents, to the best of their ability. We shall notify the Supplier about the content and scope of recall measures to be carried out – insofar as possible and reasonable – and give them the opportunity to state their case.

3. The Supplier is obligated to monitor their products and immediately notify us in writing of all product dangers of which they become aware during the entire service life of the product.
4. The Supplier is obligated to maintain product liability insurance with the necessary coverage amount; damage claims exceeding the coverage amount are not excluded.
5. Further legal claims remain unaffected.

IX. Property rights

1. The Supplier assures that no domestic or international rights (particularly property rights and patent application) of third parties are violated in connection with their delivery and guarantees us complete freedom and permission under copyright law to domestic and international use and trade.
2. If claims are asserted against us by a third party in this respect, the Supplier shall be obligated to indemnify us from these claims on first request. The Supplier's duty of indemnification relates to all damages and expenses incurred by us or in connection with the assertion of claims by a third party.

X. Force majeure

1. War, civil war, export limitations and/or trade limitations based on a change in political relations, strikes, lockouts, operational disturbances, operational limitations and other events that make contractual fulfilment impossible or unreasonable for us apply as *force majeure* and liberate us from the duty of timely acceptance for the duration of their existence.
2. The contractual partners are obligated to notify each other of such circumstances and adjust their obligations to the altered conditions in good faith.

XI. Trade secrets

The Supplier is obligated to handle our orders and all associated commercial and technical details as trade secrets. Drawings, samples, models, tools and other knowledge and technical documents obtained in discussions or correspondence remain our property and must not be transferred to third parties or used for the Supplier's own purposes without our express written approval. They must be safeguarded by the Supplier against unauthorised viewing or use and must, if nothing different is agreed upon, be returned in complete and orderly condition at the time of the last delivery, at the latest. The Supplier is not permitted to retain any copies.

XII. Custody / passage of title

1. We only recognise a simple retention of title. Once the goods have been paid for, the title transfers to us in all cases. However, we are entitled to further use, processing and delivery of the delivery item without declaring the retention of title.
2. Material or tools that are supplied remain our property. It must be stored separately as such and must only be used for our orders. The Supplier is liable for deterioration or loss even without culpability. The items that are produced with the material or tools supplied by us remain our property in the respective production state. The Supplier shall keep these items safe for us separately; the costs for safe-keeping for the items and materials provided by us are included in the purchase price.
3. If the item produced for us or our material or tool is inseparably combined with items not belonging to us, we obtain co-ownership of the new item proportionally to the value of the item subject to retention of title in relation to the other combined items at the time of the combination. If the combination of goods takes place in a manner such that the Supplier's item should be considered the main item, it is agreed that the Supplier transfers us proportional co-ownership; the Supplier shall keep the item safe for us.

XIII. Place of fulfilment and jurisdiction

1. The exclusive place of fulfilment for both parties is the location of our company headquarters, 75196 Remchingen, Germany, if the Supplier is a merchant.
2. Insofar as the Supplier is a merchant, a legal person under public law, a legal entity under public law or does not have a generally responsible court of jurisdiction in the Federal Republic of Germany, the court of jurisdiction for any disputes arising from the contracts in connection with legal relationships for both parties is agreed upon as the Pforzheim District Court or the Karlsruhe Regional Court (also

the Chamber for Commercial Matters) or the generally responsible court of jurisdiction of the Supplier, according to our discretion. The same applies if the domicile or regular place of residence of the client is unknown at the time that the complaint is filed or the client has moved their domicile or regular place of residence abroad. The preceding clause also applies in the case of cheque and bill transaction disputes. We can bring suit against the Supplier in their general court of jurisdiction.

3. German law applies exclusively for these Purchase conditions and the contractual relations between us and the Supplier, to the exclusion of international uniform law, particularly the UN Convention on Contracts for the International Sale of Goods (CISG).

XIV. Final provisions

If one or multiple of the preceding provisions are or should be partially or wholly invalid, the validity of the remaining provisions shall remain unaffected. The invalid provision shall be replaced with a valid provision that comes as close as possible to the intended economic purpose. The same applies for the filling of a loophole in the course of contractual execution.