

Terms and Conditions of Purchase

These Terms and Conditions of Purchase are an essential part of all Grünbeck purchase orders. If other conditions are mutually agreed upon, such conditions must be contained in the official purchase order. Therefore, the conditions contained in the purchase order shall take precedence.

1. General

All purchase orders of Grünbeck shall be made exclusively on the basis of these Terms and Conditions of Purchase. They shall also apply to all future business relationships even if they are not explicitly agreed upon again. Grünbeck hereby explicitly rejects and disregards any provisions in the General Conditions of the supplier that are to the contrary of these Terms and Conditions of Purchase. This shall also apply to all provisions of the supplier that are not contrary to these Terms and Conditions of Purchase, but only amend them. Deviations from these Terms and Conditions of Purchase shall only be valid if Grünbeck confirms them by an instrument in writing. Grünbeck's Terms and Conditions of Purchase shall apply if there are differences between Grünbeck's Terms and Conditions of Purchase and the Sales Conditions of the supplier. Any costs that will be incurred as a result of non-compliance with Grünbeck's provisions shall be borne by the supplier. Acceptance of the purchase order shall be confirmed by returning a legally signed copy of Grünbeck's purchase order within five workdays. A valid contract only comes into effect after receipt of such confirmation. Only confirmations made in writing shall be valid. Oral orders of any kind, agreements or additional deliveries and services shall only be paid for if they are subsequently confirmed by a written order which needs to be placed within eight workdays after the oral request. Any provisions concerning price changes, in particular price escalator clauses, shall only be valid if Grünbeck explicitly accepts such provisions.

2. Invoice and Payment

Invoices must be submitted in triplicate. Payment shall not be made unless all contractual obligations are properly fulfilled.

3. Completeness Clause, Delivery Agreements, Duty to Inform

- 3.1 The scope of delivery and services shall comprise all deliveries and all services which are required for the intended purpose and which enable appropriate operation as well as all special features (such as individual parts, extension parts, connection parts, etc.) which must be included according to the applicable technical directives or which typically belong to the delivery, irrespective of whether or not these deliveries and services and special features are listed in detail in the contract documents.
- 3.2 Upon written request of Grünbeck, the scope of delivery and services shall also include installation supervision, commissioning, test run and participation in performance verification.
- 3.3 The supplier shall make sure that all deliveries meet the applicable legal requirements and provisions and especially comply with (EC) regulation no. 1907/2006 (REACH) and (EC) regulation no. 528/2012 (BPR). The supplier shall in particular be obliged to fulfill his obligation to provide Grünbeck with information (e. g. safety data sheets) upon delivery at the latest and to perform possibly required registration, certification, approval or notification processes in his own name and for his own account, insofar as these are a prerequisite for the legitimacy of the delivery; Grünbeck shall be entitled to demand submission of suitable proof.
- 3.4 The supplier shall be obliged to immediately inform Grünbeck in writing if he becomes aware of circumstances (e. g. based on the purchase order) that are in conflict with the intended use of the delivery by Grünbeck (e. g. registration requirements and restrictions according to [EC] regulation no. 1907/2006 [REACH], bans according to [EC] regulation no. 528/2012 [BPR]).

4. Delivery Dates

- 4.1 The delivery date stated in the purchase order is binding.
- 4.2 The period of delivery begins with the date of the purchase order. The supplier shall be obliged to immediately inform Grünbeck in writing if there are circumstances that prevent the agreed delivery time to be complied with or if such circumstances become foreseeable (e. g. based on the purchase order). This shall also apply if the delivery date cannot be complied with for the reason alone that supplementary registration, certification, approval or notification processes are or may be required as a prerequisite for the legitimacy of the delivery.
- 4.3 In case of delayed delivery, Grünbeck shall be entitled to legal claims. In particular, after a reasonable period has passed without results, Grünbeck shall be entitled to compensation instead of the fulfillment of the contract and to cancellation of the contract. If Grünbeck claims compensation, the supplier shall be entitled to provide evidence that he was not responsible for the violation of the contractual obligation.

5. Contractual Penalty for Delayed Delivery

- 5.1 Without the need for a reminder to this effect, the supplier shall be deemed in default if he does not comply with the dates and periods agreed upon in the contract.
- 5.2 If the supplier is responsible for non-compliance with binding periods and deadlines or if the supplier is defaulting, Grünbeck shall be entitled, without further proof, to a compensation for delayed delivery to the amount of 0.3 % for each workday of the default, however, limited to a maximum of 5 % of the net order value, unless Grünbeck can provide evidence of a greater damage or the supplier can provide evidence of a lesser damage. Grünbeck shall be entitled to deduct agreed compensation for delayed delivery from the invoice amount of the supplier.

6. Inspection for Defects, Liability for Defects

- 6.1 Grünbeck shall be obliged to inspect the goods for quality and quantity deviations within a reasonable period of time. Notification of defect shall be deemed to be in time if it is received by the supplier within five workdays after the goods receipt date or, in the case of hidden defects, the date of detection of the defect.
- 6.2 Grünbeck shall be entitled to the legal defect claims without limitations. In any case whatsoever, Grünbeck shall be entitled to demand, at Grünbeck's discretion, remedy of the defect or delivery of new goods. Grünbeck expressly reserves the right to compensation and in particular the right to compensation instead of performance.
- 6.3 Grünbeck shall be entitled to remedy defects at the cost of the supplier if there is imminent danger (periculum in mora) or if the delivery is particularly urgent.
- 6.4 The period of limitation is 36 months, beginning with the date of transfer of risks.

7. Spare Parts

Within three weeks after the purchase order, the supplier shall provide Grünbeck with a quotation concerning spare parts and wearing parts for a period of operation of two years of the system. The spare parts must fully correspond to the original parts according to the technical specifications. The parts must be protected against corrosion during transport and for the two year storage period. The delivery must be made along with the main delivery (if a purchase order is made).

8. Technical Regulations, Norms and Delivery Conditions

Performance and monitoring of deliveries and services shall always be subject to the latest DIN standards and AD Sheets (Arbeitsgemeinschaft Druckbehälter – Working Group for Pressure Vessels) in effect when the delivery begins as well as pertinent directives (such as the German Directive on Substances and Directive on Dangerous Goods and, in particular, industry-specific standards) in accordance with the state-of-the-art. If, during the development, production or inspection of the subject matter of the contract, the supplier detects errors, inconsistencies, incompleteness or deviations from the sample, the supplier shall immediately inform Grünbeck in writing of such circumstances and provide suggestions as to remedying such circumstances.

9. Quality Assurance and Inspection – Testing and Test Documents

- 9.1 Grünbeck shall be entitled, at Grünbeck's cost, to participate directly or through representatives in the inspection of materials and raw materials used for the production of the system components. This shall also apply to those materials already used in the production process.
- 9.2 Acceptance tests and approvals by Grünbeck do not free the supplier from his contractual obligations, even if no objections were made.
- 9.3 The supplier shall be obliged to document his quality assurance measures, in particular measured values and test results, and to keep any samples available in an orderly manner. A certain part of these test documents is part of the delivery, depending on the agreement.

- 9.4 If the supplier procures deliveries from subcontractors for producing or assuring the quality of the objects to be delivered, the supplier shall be obliged to either assure the quality of such deliveries from the subcontractor himself or to obligate the subcontractor to do so by a binding contract.

10. Package and Shipping

- 10.1 The supplier must adapt the package of the goods to the type of shipping. The package must be environmentally friendly and comply with the EU directives or any country-specific directives that may deviate from such EU directives. In other cases, the supplier shall protect the goods to be shipped in such a way that no damage can occur during loading, transport and unloading with the corresponding equipment. In terms of dimensions and weight, the package must be suitable for handling with fork lift trucks and cranes. The package must ensure that several loading/unloading processes as well as longer storage without damage or corrosion of the content is possible.
- 10.2 If required, the supplier shall provide the system components with protective paint or adequate anti-corrosion agent prior to packing or shipping. By selecting appropriate package and surface protection, the supplier shall warrant a shelf life of two years at Grünbeck's premises.
- 10.3 The equipment or parts which must be stored in closed rooms or spaces with special ambient conditions must be marked with a clearly visible, special mark on the package. Deliveries containing fragile or sensitive goods (in particular heat, dust, humidity) are adequately packaged and provided with the internationally common marks at visible spots. The supplier shall also be obliged to alert Grünbeck to such special conditions prior to shipping the delivery.
- 10.4 Grünbeck retains the right to keep billed packing material or to return it for credit. The supplier shall be liable for damage during transport caused by inadequate packing.
- 10.5 The delivery note (one copy with the goods in a water-tight box or with the freight carrier, two copies with the notification of shipment by mail) must contain the following information per package:
 - Marking of the package
 - Detailed content
 - Gross kg
 - Net kg
 - Dimensions
- 10.6 The deliveries must be shipped exactly according to Grünbeck's instructions and according to the requirements of the goods and the type of transport. Grünbeck's purchase order numbers and Grünbeck's product numbers must be specified in letters, notifications of shipment, invoices and shipping documents. The supplier shall be obliged to separately notify Grünbeck of each delivery. The invoice shall not be deemed to be a notification of shipment. All deliveries received without adequate notification of shipment will be stored at the cost and risk of the supplier until adequate notification of shipment is received. Partial deliveries and advance deliveries are only permitted if Grünbeck expressly approves such deliveries.
- 10.7 In the case of incorrect deliveries for which the supplier is responsible or in the case of subsequent, free deliveries for which the supplier is responsible, the supplier shall also be obliged to bear all costs and other charges for shipment to the construction site. This shall not apply to goodwill deliveries.

11. Manufacturing Plan

The supplier shall provide Grünbeck with a bar chart for the contract progress. The status of development shall be confirmed no later than 14 days prior to the delivery date.

12. Documentation

The supplier shall provide Grünbeck free of charge with five copies of the following documents in a quality that can be used as blueprints and operating as well as maintenance instructions with the following content (if applicable):

- a) Table of contents
- b) Index, figures and drawings
- c) Introduction (short description of the device, short description of the application, description of the technical terms)
- d) Detailed description of the device (the application)
- e) Functional principle
- f) Operating instruction
- g) Test and regulation instructions (during operation, after revision as well as for periodic inspection)
- h) Maintenance instructions (preventive maintenance, repair and regulation)

13. Drawings, Models, Tools, Forms, Samples and Non-disclosure

- 13.1 All required drawings or documents shall be supplied to Grünbeck free of charge. If Grünbeck provides the supplier with parts, Grünbeck reserves the title to such parts. Processing or remodelling through the supplier shall be done on behalf of Grünbeck. If goods under retention of title are processed along with objects not belonging to Grünbeck, Grünbeck obtains co-ownership to the new object to a ratio of the value of Grünbeck's object (purchase price plus value added tax) and the value of the other processed objects at the time of processing.
- 13.2 The supplier shall be obliged to keep strictly confidential all illustrations, drawings, calculations and other documents and information he has received. Such illustrations, drawings, calculations, other documents and information may only be disclosed to third parties if Grünbeck expressly approves such disclosure. This non-disclosure obligation continues to apply after termination of the contract. It shall no longer apply if and when the production knowledge contained in such illustrations, drawings, calculations and other documents has become generally known.
- 13.3 If all of Grünbeck's claims exceed the purchase price of all of Grünbeck's goods under retention of title not yet paid by more than 10 %, Grünbeck shall be obliged, upon request of the supplier, to release the claims according to Grünbeck's discretion.

14. Patent Violation

- 14.1 The supplier shall be responsible for ensuring that within the Federal Republic of Germany no rights of third parties are violated in connection with his delivery.
- 14.2 If third parties levy claims against Grünbeck in connection with violation of rights, the supplier shall be obliged to indemnify Grünbeck from such claims upon written request by Grünbeck. Grünbeck shall not be entitled to make any arrangements whatsoever with such third parties, in particular not to make compromise settlements, without the approval of the supplier.
- 14.3 The indemnification obligation of the supplier shall refer to all expenditures necessarily incurred by Grünbeck as a result of or in connection with claims of third parties.
- 14.4 The period of limitation is 10 (ten) years after the date of conclusion of the contract.

15. Place of Jurisdiction

If the supplier is a merchant, Grünbeck's address of record shall be the place of jurisdiction; the place of performance for both parties shall be Hoehstaedt a. d. Donau, Germany. The exclusive place of jurisdiction for all disputes arising directly or indirectly from the contract shall be Dillingen a. d. Donau, Germany, if the supplier is a merchant according to the German Commercial Code. Irrespective of the question of whether or not the supplier is a merchant according to the German Commercial Code, this shall also apply if the supplier has moved his domicile or habitual place of residence to a foreign country or if his place of residence is unknown when legal action is taken. Grünbeck shall in any case be entitled to institute legal proceedings at the general place of jurisdiction of the supplier as well.

16. Severability Clause

In the event that a provision in these Terms and Conditions or a provision to another agreement should be invalid or become invalid, such invalidity shall not effect the validity of any other provision hereof. Such invalid provision shall be replaced by a provision which comes closest to the purpose of the contract and the conditions and which is legally valid.