

1. Scope

- These General Terms and Conditions of Purchase apply only in respect of entrepreneurs acting in exercise of commercial or self-employed professional activity, as well as in respect of public sector corporations. They apply to all business dealings between MAJA-Maschinenfabrik Hermann Schill GmbH (hereinafter "MAJA") and the Supplier, even if reference is not explicitly made hereto in later contractual agreements. They apply in the same way for contracts for work and services. For work rendered, acceptance of the work takes the place of the acceptance of the products delivered, and in the case of services, acceptance of the service.
- Terms of the Supplier that contradict, supplement or deviate from these General Terms and Conditions of Purchase shall not apply, unless MAJA would have agreed, in writing, to their application. These General Terms and Conditions of Purchase also apply if MAJA without reservation accepts a delivery by the Supplier in full knowledge of such contradictory, supplementary or deviating terms.
- Agreements that contradict, supplement or deviate from these General Terms and Conditions of Purchase that are concluded between MAJA and the Supplier in execution of the contract must be made in writing. This also applies to the waiver of this written form requirement.
- The foregoing is without prejudice to any rights going above and beyond these General Terms and Conditions of Purchase to which MAJA is entitled under the statutory provisions or under other agreements.

2. Conclusion of Contract, Amendments, Performance

- Offers, drafts, plans, quotes, samples and models of the Supplier shall be provided to MAJA free of charge. On request by MAJA, the Supplier must take such offers, drafts, plans, quotes, samples and models back at its own cost.
- Orders are binding only once issued in writing by MAJA or, in the case of verbal orders, once they have been duly confirmed, in writing, by the Supplier. An automatically issued order confirmation that does not feature a signature or name is deemed to be in writing. Orders that contain obvious mistakes, typing errors or incorrect calculations shall not be binding for MAJA.
- The Supplier must without delay, but no later than one week from receipt of the order, issue a written order confirmation explicitly stating the price and delivery period. Deviations between the order and the order confirmation are deemed to have been agreed only once these have been confirmed, in writing, by MAJA. This applies in the same way to any subsequent contractual amendments.
- Order confirmations, dispatch notices, consignment notes, delivery documentation, invoices and other correspondence from the Supplier must always state the order data, in particular the order number, order data and supplier number.
- MAJA's silence in response to offers, requests or other declarations by the Supplier shall be deemed to constitute consent only if this was previously agreed, in writing.
- If it transpires in the course of the performance of a contract that deviations from the specifications originally agreed are necessary or expedient, the Supplier shall notify MAJA of this without delay, in writing, and submit the proposed amendments for approval. MAJA shall notify the Supplier as to whether and which amendments the Supplier should make to the original order. MAJA is at all times entitled to amend the order, in particular as regards the composition of the products. In such cases, the Supplier must be provided with a reasonable period within which to carry out the necessary changes to production. If such changes result in increases in the costs incurred by the Supplier in performance of the contract, the contracting parties shall negotiate an appropriate adjustment to the price. If it is not possible within eight weeks of written request for such negotiation to reach an agreement on a price adjustment, MAJA is entitled to terminate the contract with immediate effect.
- MAJA reserves all ownership, copyright and other proprietary rights in all documentation. Such documents are permitted to be used solely for manufacture based on the order by MAJA and are not permitted to be disclosed to third parties without MAJA's prior written consent. The Supplier shall on request by MAJA immediately surrender all documents to MAJA, provided these are no longer required in the ordinary course of business. This applies in the same way to all drafts, test items, samples and models of MAJA.
- Prior to conclusion of the contract, the Supplier must notify MAJA, in writing, if the ordered products are subject to export controls or other restrictions on marketability pursuant to the laws of the Federal Republic of Germany. In the case of incorrect information, in particular in the event of any failure to provide information, or the provision of incorrect, incomplete or late information, MAJA shall be entitled, upon fruitless expiry of a reasonable deadline to be set by it, and irrespective of any fault on the part of the Supplier, to withdraw from the contract. This applies in the same way if the products are subject to export controls or other restrictions on marketability. This is without prejudice to any further claims of MAJA.
- If the financial situation of the Supplier deteriorates significantly or if a justified application for the initiation of insolvency proceedings or comparable proceedings concerning the assets of the Supplier is rejected due to lack of assets, MAJA shall be entitled to withdraw from the agreement, in whole or in part.

3. Packaging, Shipping and Transport, Delivery and Acquisition of Ownership

- The Supplier must observe the MAJA's specifications concerning the shipping of the products, in particular the transport, packaging and delivery requirements applicable in each case. The goods must be supplied in packaging suitable for the type of product. In particular, the products must be packaged such as to avoid transport damage. Packaging materials are to be used only to the extent necessary. The Supplier must label the packaging, stating the scope of delivery, article and material numbers, quantity, manufacture date and order details, in particular the order number, order date and supplier number.
- All deliveries must include a single copy of a delivery note stating the scope of the delivery, article and material numbers, quantity, manufacture date and order details, in particular the order number, order date and supplier number.
- When delivering the products, the Supplier must also observe the provisions of the Ordinance on Hazardous Substances (*Gefahstoffverordnung*, GefStoffV); it must, in particular, package and label the products as appropriate and include explicit notice of hazardous substances in the delivery note.
- MAJA must be notified of the dispatch of the products without delay.
- The Supplier is required to take out transport insurance and on request by MAJA without delay to furnish evidence of the same by presenting suitable documentation.
- Deliveries can be made only on working days during standard working hours from Monday to Thursday from 7:00 a.m. to 3:30 p.m. and from 7:00 to 11:00 a.m. on Fridays. The Supplier shall indemnify MAJA against all claims brought by third parties based on deliveries made outside the aforementioned hours, unless the Supplier is not responsible for the delivery being made outside of standard business hours.

- Ownership in the products passes to MAJA directly upon handover, free from any encumbrances. The Supplier warrants that it is authorised to sell and transfer ownership in the products.

4. Delivery Times

- Delivery times and dates stated in the order or otherwise are binding. The delivery period commences on receipt of the order. The products must have been received at the delivery address stated by MAJA within the delivery period or on the agreed delivery date.
- If it becomes clear to the Supplier that it cannot deliver the products within the delivery period, it must notify MAJA immediately, in writing, stating the reasons for the delay and the expected duration thereof.
- In the event of default on the part of the Supplier, MAJA is entitled to demand a contractual penalty of 0.5 % of the net order value for each commenced week of delay, but no more than 5 % of the net order value, unless the Supplier is not responsible for the delay in delivery. MAJA must assert the contractual penalty no later than at the time of final payment. This does not apply to instances of *force majeure*. Claims of MAJA to any compensation claims going over and above this remain unaffected, with the contractual penalty being offset against the additional compensation. MAJA's claim to delivery is excluded only if the Supplier, at MAJA's request provides compensation in lieu of delivery. Acceptance of the delayed delivery does not constitute a waiver of compensation claims or the contractual penalty.
- Delivery prior to the agreed delivery date is permissible only with MAJA's prior written consent. MAJA is entitled to have any products delivered early without its written consent put into storage at the Supplier's expense or to return the products at the Supplier's expense, unless the premature delivery is minor or the Supplier is not responsible for the premature delivery.

5. Prices and Payment

- The price stated in the order is binding. In the absence of any written agreement to the contrary, the price is "free to the place of use" and includes, in particular, the costs of packaging, shipping (including equipment required for shipping), transport and insurance to the delivery address stated by MAJA, and customs and public charges paid. VAT at the statutory rate is included in the price, unless it is expressly stated as a net price. If, in individual cases, shipping and transport costs are not included in the price and the assumption by MAJA of shipping and transport costs has been agreed in writing, this applies only to the cost of the least expensive method of shipping and transportation, even if expedited shipping is required in order to meet the delivery date.
- If VAT-exempt supply is an option, the Supplier must furnish the necessary evidence, insofar as such evidence is within its sphere of responsibility. For deliveries within the European Union, the Supplier must voluntarily provide its VAT-ID, in writing, submit evidence that it is an entrepreneur and cooperate in documentary proof of export.
- MAJA shall receive a single copy of the Supplier's invoice. The invoice is not permitted to be enclosed with the delivery, and must instead be sent separately. Invoices that do not state an order number, order date or Supplier number will be deemed not to have been received as they cannot be processed.
- Payment will be made following receipt of the products and the invoice with a 3% discount within 14 days, with a 2% discount within 21 days or net within 30 days. Payments are made solely to the Supplier and subject to review of the invoice. MAJA is also entitled to make payment at its discretion by cheque or bank transfer. In the case of defective delivery, MAJA is entitled to withhold payment until such time as proper performance has been rendered without forfeiting any discounts, rebates or similar price reductions. The payment term commences upon complete rectification of the defects. In the case of the premature delivery of the products, the payment term commences no sooner than on expiry of the delivery period or on the agreed delivery date. If the Supplier is required to provide material tests, test reports, quality documentation or other documents, the acceptance of the products triggers the payment term only if MAJA has also been provided with the requisite documentation.

6. Transfer of Risk

- The Supplier bears the risk of the accidental destruction and deterioration of the products until such time as the products are handed over to MAJA.
- If the Supplier is required to assemble or install the products at MAJA's plant, the risk of the accidental destruction and deterioration of the products passes to MAJA only upon the assembly or installation of the products. This also applies if MAJA has assumed certain services, such as transport costs.

7. Warranty, Claims based on Defects and Guarantees

- The Supplier ensures that the products supplied correspond to the agreed specifications, approved samples as well as the applicable legal provisions, rules and regulations of official bodies, professional associations and trade associations, as well as the relevant DIN-standards.
- MAJA must notify any obvious defects to the Supplier immediately upon delivery of the products and latent defects immediately upon their discovery. Notification is deemed immediate if it is provided within two weeks of delivery in the case of evident defects and in the case of latent defects within two weeks of their discovery. In the case of deliveries comprising a large quantity of the same product, MAJA must inspect a reasonable number of the delivered products for defects. If the inspection renders the products unsellable, the quantity to be inspected will be reduced as is reasonable. If individual random samples of a delivery are defective, MAJA may at its discretion demand the removal of the defective items by the Supplier or assert claims based on defects for the entire delivery as stipulated by statute. If, as a result of defects in the products, an incoming goods inspection of the products going beyond the customary extent is necessary, the Supplier must bear the costs of this inspection. In the case of delay and loss of the notification, timely dispatch shall be sufficient.
- If MAJA and the Supplier are in an ongoing supply relationship, the Supplier is required to implement a suitable quality management system and to manufacture and inspect the products to be delivered in line with this quality management system. If, in the course of the manufacture or quality assurance of the products to be supplied, the Supplier uses means of production or testing, software, services, material or other preliminary supplies from upstream suppliers, it shall contractually include those upstream suppliers in its quality management system or itself ensure the quality of the upstream supplies. In particular, the Supplier will carry out its own tests on materials. The Supplier will keep records of the performance of quality assurance measures and keep these records, as well as any samples of the products to be delivered, in a clearly arranged and organised manner. It shall to the extent necessary allow MAJA to inspect the records, and provide explanations as well as copies of the records and any samples. MAJA shall without delay upon acceptance of the products, insofar as this is feasible in the course of ordinary business, inspect whether the delivery corresponds to the quantity and model ordered and whether there is any obvious transport damage. If defects are identified in the course of these inspections or thereafter, MAJA

must notify the Supplier accordingly within two weeks of the inspection or discovery. There will be no further incoming goods inspection.

4. If, as a result of defects, the products supplied cannot be placed on the market under the relevant legal provisions or need to be properly disposed of by MAJA, MAJA is entitled to have the products disposed of at the Supplier's expense, unless the Supplier is not responsible for the defects.
 5. In the case of defects in the products, MAJA is entitled, irrespective of the statutory claims based on defects, at its choice to demand as subsequent performance the immediate rectification of the defects or the supply by the Supplier of defect-free products. The Supplier must bear the costs incurred for the purposes of subsequent performance. This applies also if, in line with their customary use, following delivery the products were brought to a location other than the delivery address stated by MAJA. If the Supplier fails to fulfil its obligation to render subsequent performance within a reasonable deadline stipulated by MAJA, MAJA can at the Supplier's expense and risk perform the necessary measures itself or have these carried out by a third party, unless the Supplier is not responsible for the failure to provide the service owed following expiry of the additional deadlines. The deadline is unnecessary in particular if the Supplier refuses both forms of subsequent performance or if the subsequent performance is unsuccessful or is unreasonable for MAJA. The subsequent performance is unreasonable for MAJA in particular if MAJA has already resold the defective products to third parties. In addition, a deadline is not necessary if the Supplier seriously and conclusively refuses to render performance, or if there are special circumstances which, giving due consideration to the mutual interests, justify the immediate assertion of the claim based on defects. Special circumstances are given in particular in urgent cases in which subsequent performance by the Supplier will, in all likelihood, not avoid imminent disadvantages for MAJA. Where the setting of a deadline is not necessary, MAJA is entitled to perform the necessary measures at the Supplier's expense and risk even where a reasonable additional deadline has not yet expired, provided MAJA notifies the Supplier accordingly. This is without prejudice to any further claims of MAJA.
 6. The acceptance of the products, as well as the processing, payment and reorder of products that have not yet been identified and notified as being defective do not constitute approval of the delivery, nor any waiver by MAJA of claims based on defects.
 7. The limitation period for MAJA's claims based on defects is 36 months, commencing upon the delivery of the products. This does not apply if the Supplier fraudulently concealed the defect. If, in line with their customary use, the defective products were used in construction and cause a construction to be defective or where defects in a construction are concerned, the limitation period is five years. For defects notified by MAJA within the limitation period, claims based on defects expire no sooner than six months from submission of the notice of defects.
 8. Suppliers of products that require replacement parts must for a period of a further ten years following expiry of the limitation period to supply MAJA with the requisite replacement and accessory components, as well as tools, at the previous prices, plus compensation for inflation.
 9. The foregoing is without prejudice to the statutory provisions applicable when the supply chain ends with a consumer goods purchase.
 10. The foregoing provisions furthermore do not affect any guarantees furnished by the Supplier.
- 8. Product Liability**
1. The Supplier is required to indemnify MAJA against third-party claims under national and foreign product liability laws, unless it is not responsible for the product defect pursuant to the principles of product liability law. This is without prejudice to any further claims of MAJA.
 2. Within the scope of this indemnification obligation, the Supplier must in particular reimburse to MAJA the costs arising under or in connection with a warning, exchange or product recall campaign implemented by MAJA. MAJA will to the extent possible and reasonable, notify the Supplier of the content and scope of the measures to be performed and provide it with the opportunity to issue a response. The Supplier must take best efforts to support MAJA in the measures to be performed and take all reasonable measures arranged by MAJA.
 3. The Supplier is required to take out and maintain in force extended product liability and recall insurance with worldwide coverage and a coverage amount appropriate for the products of at least EUR 3 million per personal injury for each individual concerned and at least EUR 5 million per instance of damage to property. The Supplier now assigns to MAJA the claims under extended product liability and recall insurance, together with all ancillary rights. MAJA now accepts the assignment. If such assignment is not permissible under the insurance contract, the Supplier hereby instructs the insurer to make any payments only to MAJA. This is without prejudice to any further claims of MAJA. The Supplier must on request provide MAJA with evidence of the conclusion and continued existence of the extended product liability and recall insurance. The Supplier shall refrain from any and all acts or failures to act that could jeopardize the insurance cover.
 4. If the Supplier fails to duly fulfil its obligation under subsection 3. above, MAJA is entitled, but not under any obligation, to take out extended product liability and recall insurance at the Supplier's expense.
- 9. Third-Party Proprietary Rights**
1. The Supplier guarantees that the supply and use of the products does not infringe any national or international patents, registered designs, licenses or other proprietary and copyrights held by third parties. This does not apply if the products were developed by MAJA.
 2. If a third party takes action against MAJA or its customers based on the supply and use of the products constituting an infringement of the aforementioned rights, the Supplier is required to indemnify MAJA against such claims. The indemnification obligation applies to all expenses incurred by MAJA in connection with the claim. In particular, MAJA is entitled at the cost of the Supplier to procure consent to the use of the products from the third party concerned. The indemnification obligation does not apply if the Supplier is not responsible for the infringement of third-party proprietary rights.
- 10. Force Majeure**
1. If MAJA is precluded by *force majeure* from fulfilling its contractual duties, in particular from accepting the products, MAJA shall be released from its performance obligation for the duration of the impediment and a reasonable start-up time thereafter, without being liable to pay the Supplier compensation. The same applies if MAJA is temporarily unable to fulfil its obligations as a result of unforeseeable circumstances beyond its control, in particular as a result of industrial action, official measures, energy shortage or material disruptions to operations, or if the aforementioned circumstances render performance unreasonably more difficult. MAJA can refuse to accept the products if such circumstances prevent the sale of products as a result of a decline in demand.

This also applies if such circumstances arise at a time at which MAJA is in default of acceptance.

2. MAJA is entitled to withdraw from the contract if such impediment lasts longer than four months and MAJA no longer has any interest in fulfilling the contract as a result of the impediment. On request by the Supplier, MAJA will on expiry of the deadline declare whether it intends to make use of its right to withdraw from the contract or whether it intends to accept the products within a reasonable period.
- 11. Liability of MAJA**
1. MAJA is liable without restriction for damage attributable to the breach of a guarantee or damage to life, limb or health. The same applies to intentional acts and gross negligence or insofar as MAJA assumed a procurement risk. MAJA is liable for slight negligence only if material obligations inherent to the nature of the contract and of particular importance for the attainment of the contractual purpose were breached. In the case of the breach of such duties, in the case of default and frustration, MAJA's liability is restricted to damage typically foreseeable under the contract. Mandatory statutory liability for product defects remains unaffected.
 2. If MAJA's liability is excluded or limited, this also applies for the personal liability of its employees, staff members, representatives and agents.
- 12. Confidentiality**
1. The parties are required to maintain secrecy with respect to all information to which they become privy that is designated confidential or which, based on other circumstances, can be identified as business or trade secrets for a period of five years from delivery and, unless required in the course of the business relationship, not to record, disclose or utilise that information.
 2. The confidentiality obligation does not apply if the information was demonstrably already known to the recipient prior to the commencement of the contractual relationship or was generally known or publicly accessible or becomes generally known or publicly accessible through no fault on the part of the recipient. The recipient bears the burden of proof.
 3. The parties will ensure by means of appropriate contractual agreements with the employees and agents that work for them, in particular freelance staff, contractors and service providers, that they also refrain from any and all own use, disclosure or unauthorised recording of such business and trade secrets for the period of five years from delivery.
- 13. Final Provisions**
1. The Supplier is permitted to assign rights and duties to third parties or to have an order or material parts of an order fulfilled by third parties only with MAJA's prior written consent.
 2. Counterclaims of the Supplier entitle it to set-off only if such claims have been conclusively legally determined or are undisputed. The Supplier may assert a retention right only if its counterclaim is based on the same contractual relationship.
 3. Upstream suppliers of the Supplier are deemed to be its agents. They are to be notified to MAJA immediately upon request.
 4. The legal relationship between the Supplier and MAJA shall be governed by the laws of the Federal Republic of Germany, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
 5. The exclusive place of jurisdiction for all disputes concerning the business dealings between the Supplier and MAJA is the seat of MAJA. MAJA is also entitled to file suit at the Supplier's seat as well as at any other permissible place of jurisdiction. Arbitration clauses are hereby contested.
 6. The place of performance for the supply and subsequent performance obligations of the Supplier is the delivery address stated by MAJA. In addition, unless otherwise agreed in writing, the place of performance for all services of the Supplier and of MAJA is the seat of MAJA.
 7. The language of the agreement is German.
 8. Should any provision of these General Terms and Conditions of Purchase be or become invalid or unenforceable, in whole or in part, or should there prove to be an omission in these General Terms and Conditions of Purchase, this shall not affect the validity of the remainder of the agreement. The valid or enforceable provision that comes as close as possible to attaining the purpose of the invalid or unenforceable provision is deemed agreed. In the event of an omission, the provision is deemed agreed that corresponds to what the parties would have agreed, in view of the purpose of these General Terms and Conditions of Purchase, had they considered the matter from the outset.