

**§ 1 Validity**

- 1.1 These Purchase Conditions in the order of priority defined in § 2 apply exclusively to all our contracts on the purchase of goods and services.
- 1.2 The terms and conditions of the contractor are not valid. The acceptance of deliveries or services and reference made by the contractor thereto do not mean that they shall apply, even if we do not object to their contractual terms.
- 1.3 These Purchase Conditions apply to all future transactions with the contractor, also if we do not explicitly refer to them.

**§ 2 Order of priority**

The following documents apply in the order of priority specified below for the contractual relationship between us and the contractor:

- a.) the order, the contract with annexes, any master agreements or maintenance contracts, etc.
- b.) any technical specifications and other special terms
- c.) these General Purchase Conditions
- d.) the law of the BGB (German Civil Code)

**§ 3 Order/change in performance/scope of service**

- 3.1 Orders must be made in text form. The contractor is obligated to confirm our order without delay, at the latest however within 3 days, by signing the respective copy of the order without supplements, amendments or deletions. The contract shall only come into effect with this confirmation. In the case of order execution without confirmation the provisions of these Purchasing Conditions are deemed to be tacitly accepted. Any orders placed verbally do not establish any payment obligation or other obligations.
- 3.2 The contractor shall immediately provide written notification of any changes and/or enhancements to the scope of supply/service, which are deemed necessary for the execution. Changes and/or enhancements to the scope of supply/service require our prior written consent.
- 3.3 The contractor shall review our change requests within 5 working days for their possible consequences, particularly the effect on the technical execution, the costs and schedule, and immediately inform us in writing of the outcome of this examination. Only after an agreement of these consequences is the contract adjusted with the mutual agreement of both parties.

**§ 4 Deliveries/Performance/Supporting documents**

- 4.1 Deliveries and services shall be provided using state-of-the-art technology and in accordance with the applicable laws and regulations.
- 4.2 Partial deliveries/performances require our prior written consent.
- 4.3 The contractor shall immediately inform us of any reservations with regard to our planned execution. The services shall be provided so that our business or the customer's business is not affected.
- 4.4 The contractor always employs suitably qualified personnel for the order as well as for the activities. The contractor shall verify the qualification of the personnel with suitable supporting documents. We are entitled to check the reliability of personnel and dismiss staff who we deem to be unreliable. If the submission of clearance certificates is required in order to fulfil the service or in the event of a justified request by the end customer, we are entitled to request clearance certificates for the contractor's staff at the expense of the contractor. The employment of subcontractors requires our prior approval. This approval can be revoked at any time without giving reasons. The personnel selection and right of instruction are the sole responsibility of the contractor. Both the contractor and any subcontractors shall pay their employees the statutory minimum wage.
- 4.5 All contractor services must be verified with corresponding supporting documents (signed inspection records,

job tickets, acceptance certificates, timesheets, etc.). These supporting documents must be submitted at any time at our request and information about the work already carried out must be disclosed. For the billing of work calculated at hourly rates the supporting documents must be submitted to us for approval without delay, i.e. at the latest at the start of the week following execution of the work.

- 4.6 Drawings, models, tools, samples, work documents and similar, which we make available to the contractor or which are paid for by us, remain or become our property. The contractor may not hand them over to third parties for inspection or otherwise make them accessible to third parties or make copies thereof without our explicit approval. The same shall also apply to documents which we make available for print jobs. The objects manufactured based on the documents may not be supplied to third parties without our explicit written approval. If the contractor intends to modify or cease production/services, then the contractor must announce this in writing without delay. In the event of a shutdown in production or discontinuation of services, the contractor shall ensure that the materials previously supplied to us will remain in stock for at least 6 months following notification by the contractor. This does not give rise to any obligation to accept.

We have the right to convince ourselves of the quality and condition of the deliveries and services at any time and unannounced. For this purpose the contractor shall grant us and our representatives the right to be able to view all plans and documents at any time, which are required for assessing the quality and quality assurance measures.

**§ 5 Confidentiality, data protection**

- 5.1 All information which the contractor receives from us shall be treated in the strictest confidence. This does not apply to information which was already known to the contractor or of which he acquired knowledge elsewhere.
- 5.2 The contractor is obligated to observe the legal provisions on data protection. In particular, the employees of the contractor are obliged to observe the regulations pertaining to data protection according to GDPR requirements.
- 5.3 In the event of a violation of the duty of confidentiality, we are entitled to demand a contractual penalty of EUR 10,000 for each case of violation.

**§ 6 Shipping, invoicing and payments**

- 6.1 Unless otherwise agreed in writing, the fees and charges listed in the order are binding. The pricing is Delivery Duty Paid from a location designated by us in accordance with Incoterms 2010 (carriage paid) including packaging, assembly and project-related instructions. We are entitled to decline acceptance of shipments if the proper shipping documents are not presented on the day of receipt or our order references are not included or are not included completely in the shipping documents, without resulting in a delay in acceptance. The arising costs from the refusal of acceptance shall be borne by the contractor. Tenders as well as quotations are free of charge and do not create any obligations for the customer.
- 6.2 All prices are net prices, exclusive of the statutory value added tax.
- 6.3 A prerequisite for each payment is a verifiable invoice, which in addition to the legal requirements also includes our order number and all invoicing documents (e.g. timesheets).
- 6.4 Unless otherwise agreed, the fee shall be paid within 30 days of delivery and receipt of invoice. A 3% discount is applied to payments received within 21 days.
- 6.5 The assertion of a right of retention with respect to our claims is excluded. The contractor may only transfer their rights from this contract to a third party with our written consent.
- 6.6 The agreed prices are fixed prices, including all incidental expenses. They apply until something different is agreed between the parties. Other work remunerated on an hourly basis requires an additional assignment by us.
- 6.7 At our choice the payment is made either in cash, by cheque, transfer or offsetting with counterclaims.

**§ 7 Delivery periods and dates**

- 7.1 The agreed delivery and performance dates are binding. The deadline begins on the date the order is placed or the agreement. In case of non-compliance with the deadlines, the contractor is automatically in default without further notice.
- 7.2 If the contractor is in default, then we are entitled to exercise the statutory claims against them. Furthermore, the contractor shall be obliged to pay a contractual penalty of 0.5% of the net order value for each commenced work day by which the deadline is exceeded. The amount of the contractual penalty is limited to maximum 5% of the order value.
- 7.3 If circumstances arise or become apparent which show that the agreed deadline cannot be observed, then the contractor is required to immediately notify us thereof. The contractor may only rely on the absence of documents to be provided by us if they did not receive these documents within the specified time limit despite a written reminder.

**§ 8 Transfer of risk/Acceptance**

The risk shall only pass to us after the goods have been delivered or the services have been rendered at the location designated by us (§ 6.1) and have been accepted.

Formal acceptance is required, whereby the use of the contractual object for the technical examination, setup, further processing or for test purposes of the complete system (non-commercial use) by us, our customers or subcontractors does not constitute acceptance.

**§ 9 Termination/Withdrawal/Force majeure**

- 9.1 The contract may be terminated by us at any time, also without observing a period of notice.
- 9.2 We are entitled to withdraw from the contract if events such as industrial disputes, breakdowns/malfunctions, accidents, war, market stagnations, official interventions, force majeure and similar make the use of the ordered goods/service impossible or significantly complicated. Before exercising the right of withdrawal we can demand a free deferral of the delivery date of up to twelve months.
- 9.2 For the contractor the period of notice is three months to the end of the month. Following termination of the contract all documents, keys, work material, etc. handed over to the contractor must be returned to us without delay.
- 9.3 We are entitled to termination without notice, particularly if
  - (a) an application for the initiation of insolvency or arbitration proceedings has been made against the contractor or
  - (b) in the case of cessation of services or default of performance by the contractor, provided they do not meet their contractual obligations despite reminders within a reasonable time or
  - (c) the contractor violates labour, tax or social insurance legislation such as MiLoG, ArbEntG or similar laws.

**§ 10 Warranty and notice of defects**

- 10.1 The delivery object must provide the agreed service, correspond to the state of the art in its design and material, comply with the valid accident prevention regulations as well as our order documents and have all characteristics assured verbally in negotiations or in writing. The necessary documents (such as safety instructions, manuals, analysis certificates, product datasheets, certificates, etc.) must be provided.
- 10.2 We shall have an unrestricted right to use the statutory claims for defects. In particular, we are entitled to demand at our own discretion a remedy or new delivery by the contractor. Apart from that, the liability for defects of the contractor is in accordance with the statutory provisions.
- 10.3 Claims for defects – irrespective of their legal grounds – become time-barred 36 months after delivery. Longer, statutory limitation periods remain unaffected. The notice of a defect suspends the limitation period. For defective parts the limitation period starts afresh following their replacement.
- 10.4 Exclusions of liability and liability relief for the contractor are excluded. The contractor releases us from all claims, which third parties

assert against us in connection with the delivery or performance by the contractor.

**§ 11 Property rights**

- 11.1 The contractor ensures that no third-party property rights have been violated by their delivery and its use.
- 11.2 The contractor defends claims at their own expense which third parties raise against us due to the violation of property rights arising from deliveries and performances by the contractor. Upon first request, the contractor releases us from all claims arising from the use of such property rights.

**§ 12 Advertising**

The contractor may only use us as a reference to third parties with our explicit, prior and written consent.

**§ 13 Code of Conduct/Principles**

The contractor shall observe the Code of Conduct as well as the principles of our group in the valid version when supplying goods or services and also encourage their employees and subcontractors to comply with same. The documents can be called up on the website [www.piepenbrock.de](http://www.piepenbrock.de) or are made available by us on written request.

**§ 14 Reservation of title**

- 14.1 Material which we provide for the implementation of our orders remains our property. It must be marked expressly as our property immediately after acceptance by the contractor and stored separately from similar or identical material. It may only be used within the framework of the intended production. Under no circumstances may the material be disposed.
- 14.2 The contractor transfers the ownership of the new object made from the processing of our material to us. In the case of the processing, combining or mixing of our material with other items we acquire joint title to the new object in the proportion of our share of the new object.
- 14.3 The contractor shall immediately notify us of any imminent or past attachments or seizures as well as any other impairment of our rights.
- 14.4 The contractor is obligated to insure the material or service provided by us against all typical risks.

**§ 15 Place of jurisdiction and applicable law**

- 15.1 All agreements made between the parties for the purpose of executing the contract are stipulated in this contract. No verbal collateral agreements have been made. Supplements or amendments to this contract, including this clause, must be made in text form.
- 15.2 To the extent permitted by law, the sole place of jurisdiction for all disputes arising from this contract is Osnabrück. However, we are also entitled to file a suit against the contractor at another legal venue.
- 15.3 The law of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sales of Goods (CISG) shall apply.
- 15.4 If one or several provisions of these contractual terms or clauses is or becomes ineffective, completely or in part, or if this contract contains a loophole, then the effectiveness of the remaining provisions and clauses shall not be affected thereby. The parties undertake to replace the ineffective clause with a clause that comes as close as possible to the economic intent of the ineffective clause or loophole.

**The terms are confirmed in all points.**

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Place, Date

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Signature & company stamp