

# General purchasing conditions

## Tube-Tec Rohrverformungstechnik GmbH

### I. Application / scope of validity

1. These Purchasing Conditions are an important part of our present and future orders and all contracts (particularly regarding deliveries and services and work contracts) concluded between Tube-Tec Rohrverformungstechnik GmbH (hereinafter also referred to as the "**client**") and our contractual partner who performs the deliveries, services or work contracts (hereinafter also referred to as the "**contractor**"). They are used only with companies in the sense of Section 310 paragraph 1 of the civil code, legal persons under public law and fund assets under public law.
2. Through uncontested acceptance of these Purchase Conditions or by fulfilling the contract, the client declares his acceptance of their exclusive validity. We do not acknowledge conditions of the contractor that contradict or deviate from these Purchasing Conditions unless we explicitly consent to their application. If we accept goods without explicit objection, it can not be assumed from this that we have acknowledged the contractor's conditions.
3. The INCOTERMS in their current version are decisive for interpreting trade terms.

### II. Orders / ancillary agreements

1. Verbal ancillary agreements and all modifications or additions to the orders and contracts are not valid unless we explicitly confirm them in writing. This can also be done by remote data transfer or by fax.
2. An order is not considered to have been issued until we have composed it in writing, or in the case of verbal or telephone orders, it has been confirmed in writing, unless otherwise agreed in the individual case. Our orders must be immediately confirmed in writing by the contractor. If we do not receive this order confirmation within 10 days after receipt of the order, our order shall be considered accepted without modification. In this regard, Section 362 of the commercial code is considered to have been explicitly agreed to between the parties.
3. Preparation of proposals by the contractor is free of charge and not binding on us. Cost estimates are binding and not to be compensated unless explicitly agreed otherwise.
4. We retain ownership rights, copyrights and property rights to all illustrations, drawings, calculations, plans, samples tools and other documentation that we have made available for execution of the order or for which we have reimbursed the contractor. They must not be reproduced or made accessible to third parties without our explicit written consent. They must be used for fulfilling the contract only and must be returned to use unsolicited and free of charge after completion of the order. The contractor is liable to us for all damages due to culpable violation. Exercise of a right of retention by the contractor regarding our claim to return of the aforementioned documents is excluded unless the contractor counter-claim is uncontested, acknowledged on our part or specified by legal proceedings.

### III. Delivery / service / quality of goods / packing

1. The delivery period specified in the order is binding. The delivery times start on the date of the order. Receipt of the goods during ordinary business hours at the delivery location we have specified is decisive to the timeliness of delivery.
2. Early deliveries and/or partial deliveries require our explicit written consent. The contractor can deliver only on business days, exclusively on Monday through Friday, between 8 a.m. and 4 p.m., on Friday only between 8 a.m. and 12 noon.
3. The contractor is obligated to inform the client immediately in writing if circumstances arise or can be determined from which it is evident that the delivery period cannot be adhered to.
4. A delivery or service is not completed until the contractor has handed over to us all documents that have been agreed upon or that are to be delivered according to trade practice (such as freight documents, certificates of origin, production-related or technical documentation, work and testing certificates, certificates of conformity and operating manuals).
5. For deliveries to third parties designated by the client, only our delivery slips are to be included. At least three days before dispatch, the contractor must send us an appropriate statement of the goods to be delivered.
6. If the contractor culpably exceeds the deadline or date for the delivery or acceptance-ready completion of the work, he is obligated to pay us a contractual fine of 0,15% of the agreed net price or net labour rate for each calendar day of culpable non-adherence to the deadline or date or of delay, not to exceed, however, 5% of the total net price or net labour rate. We reserve the right to bring breach of contract claims and to settle them against claims by the contractor until the final payment. Beyond the contractual penalty claim, the right to further claims to damage compensation remains unaffected. However, the contractual fine will be taken into account in such damage compensation claims.  
  
If delivery dates or deadlines are postponed due to legitimate extension claims by the contractor, or if these are respecified by mutual agreement, the contractual penalty provision above is linked to the new date, without the need for special renegotiation regarding the contractual penalty provision.
7. Unreserved acceptance of delayed deliveries or services does not constitute a waiver of the client's contractual and legal claims.
8. All characteristics and features named in the inquiries, specifications, orders, order confirmations, telephone calls or in other correspondence constitute the agreed-upon properties of the goods.
9. The contractor guarantees that his goods are free of third-party rights. The contractor guarantees that in association with his delivery, no third-party rights are violated. The contractor is particularly liable for rights of third parties, especially patents, samples, competition rights, copyrights and marketing rights, or other industrial property rights are not violated by delivery or use of the delivery item or the work owed or its operation or resale. If a third party makes claims against us in this regard, the contractor is obligated, upon first written request, to release us from these claims. We do not have the right — without

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the contractor's consent — to reach any sort of agreement with the third party, especially a settlement.

10. It is the responsibility of the contractor, before acceptance of the order, to check whether the items named in the order or their components are to be classified as hazardous goods in the country of origin or destination.
11. When packing, marking and declaring hazardous goods, the contractor is obligated to observe applicable national and international regulations.
12. For packing, the contractor must observe the statutory standards and regulations. Special packaging is disposed of by the contractor or at his cost.
13. The contractor shall take care that supply of replacement parts is guaranteed for at least 10 years after delivery. If production of replacement parts is stopped during this time, we are to be informed so as to have the possibility in the future to supply ourselves with the required replacement parts. Furthermore, in the event that production of replacement parts is stopped, the contractor will hand over the corresponding production drawings and parts lists with manufacturer information, without special compensation being necessary for this.

#### IV. Quality

The contractor must establish and maintain a documented quality assurance system of a suitable type and scope and which corresponds to the state of the art. He must keep records, particularly of his quality tests, and provide them to us upon request. The contractor consents to a quality audit for assessment of the effectiveness of his quality assurance system by us or by our representative.

#### V. Price / payments / cessions

1. The agreed contractual prices are binding. They are understood not to include applicable value-added tax and include the costs for the entire delivery (including customs duties and insurance) and packing "free to the door", unless otherwise agreed in writing with the client. In the case of deliveries for which we pay the costs, we assume only the lowest freight costs, unless a special method of delivery has been called for.
2. The invoices must reflect current applicable legal regulations. They must not be included with the dispatch but submitted separately immediately after delivery at least in duplicate and bearing our order number.
3. The date upon which we receive the invoice is used to calculate the payment deadline, subject to complete and correct fulfilment of the contract.
4. Unless other payment terms have been agreed to in writing, we pay within 14 days after receipt of invoice and deduct a 3% discount or within 30 days net after receipt of invoice.
5. If the contractor's delivery or performance is defective, we have the right to withhold payment until full completion.
6. The claims made against us can be ceded only with our prior written consent.

#### VI. Transfer of risk

1. The contractor bears the risk according to the delivery conditions agreed upon with him per No. V para. 1. Transport is at the risk of the contractor. This applies even in exceptional cases when we have agreed to assume the cost of transport.
2. For purchase contracts, the risk does not transfer to us until receipt of goods, and for work contracts until acceptance is declared.

#### VII. Warranty / defect claims

1. The contractor guarantees that the items and services he is to deliver conform to the samples that we have approved, all applicable standards (DIN and EG standards), all safety regulations and the specifications indicated in the order. The contractor guarantees that the delivered items and services conform to the purpose, state of the art, the technical and occupational health and safety regulations from authorities and professional associations, and to all applicable statutory regulations. If machines, devices or systems are the object of delivery, the contractor guarantees that they conform to the special safety regulations for machines, devices and systems applicable at the time of contract fulfilment, including the work safety and accident prevention regulations, and that the delivery or service has a CE designation.

Reference in the order to standards always constitutes a quality agreement that the requirements of the standard have been adhered to. Specimens, samples and other documents and data submitted by the contractor also constitute a quality agreement.

2. We are fully entitled to all legal defect claims; in each case we have the right to demand that the contractor resolve the defect or deliver a new item, as we choose. The contractor must compensate us for all costs arising from the secondary fulfilment, particularly transport, travel, labour and material costs. This also applies if expenses increase, because a purchased item or a delivered object has been properly forwarded to our clients after delivery.

If a delivered object is installed in one of our products, the contractor must pay the costs for removal of the defective item and subsequent installation of a defect-free item, including all costs for transport, travel and labour, as part of defect resolution or secondary delivery.

The contractor must also provide compensation for consequential damages from the defect and economic damage, especially loss of production. Damages eligible for compensation also include ancillary costs arising from any repair of damages, such as de-installation and installation costs, materials costs, travel and freight costs, costs of providing labour and especially also costs associated with determining the damage or defect, such as costs of experts.

Defective goods are return dispatched at the expense and risk of the contractor. If, at the request of the contractor, we undertake the packing of returned goods or take other measures for return dispatch, all liability is excluded, provided we are not guilty of intent or gross negligence.

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3. We are obligated, within a reasonable period, to inspect the goods for any quality or quantity deviations. The claim is timely if it is received by the contractor within two weeks from receipt of goods or discovery of concealed defects. In the scope above, inspection and claims obligation is excluded per Sections 377 and 378 of the commercial code.
4. The contractor assigns to us now — conditioned on performance and for securing of our claims — all claims accruing to him against his sub-suppliers due to and in association with delivery of defective goods or such goods whose promised characteristics or guarantees are missing. All documents required for exercising these claims shall be handed over to us.
2. If employees of contractor charge the client because of contractor's infringement of the German law on minimum wages, we shall raise recourse claims.
3. For design or engineering services, the contractor can invoice the actual time expenditure according to hourly rates if this has been explicitly agreed to. In this case, the contractor must obtain our decision before exceeding the time expenditure in the order or in the order confirmation.
4. Prior to conclusion of the contract, the contractor has created a comprehensive image of his scope of service and delivery. He has fully established all expenses and measures necessary for fulfilling his contract performances. These are the basis of the fixed flat price.

### VIII. Retention of title

1. We recognize simple retention of title by the contractor only if this has been agreed upon with us individually and ownership of the goods transfers to us upon payment and we have the right to further processing and resale in the ordinary course of business. We do not accept special forms of retention of title, especially forwarded, downstream or extended retention of title, current account retention or retention by conglomerates.
2. Due to the retention of title, the contractor can demand return of the goods if he withdraws from the contract.
- Any approval of plans or other consents from our company are solely endorsements and do not release the contractor from his obligation to professionally and completely execute his services.
5. Acceptance is contingent upon the contractor fully completing his entire service. He is thereafter obligated to apply for formal acceptance for which a log is prepared which is to be signed by both parties. Acceptance of partial services or other partial acceptances are excluded unless a varying written agreement is made. Also in the event of such a deviating agreement, the partial acceptances do not replace the final acceptance. All notional acceptance is prohibited.

### IX. Product liability / insurance protection

1. If the contractor is responsible for a product defect or violation of legal or governmental safety regulations, he must release the client from any compensation claims by third parties upon first written request. In this situation, the contractor is obligated to remunerate the client for any costs arising from the recall action that he has caused. The client will instruct the contractor as to the content and scope of the recall action ahead of time, as far as possible and reasonable.
2. The contractor is obligated to maintain operation & product liability insurance for a sum of at least EUR 5 million per person or property damage incident and to verify this to the client; if we are entitled to further damage claims, this remains unaffected.
6. Only with our prior written consent is the contractor authorized to engage subcontractors for all or part of the contractual service. We will refuse this consent only for valid reasons. Engaging subcontractors does not release the contractor from his contractual obligation toward us. The contractor is responsible for his authorized subcontractors, who are his agents.
7. To secure all of the contractor's obligations proceeding from this contract, the contractor shall submit to us within one week after conclusion of the contract, an open-ended directly enforceable contract fulfilment guarantee from a domestic bank, savings and loan or insurance company in the amount of 10% of the contractually negotiated gross compensation. The guarantee secures fulfilment of all obligations under this contract, especially repayment claims including interest, defect claims (even for remote consequential damages), damage compensation claims and claims to payment of a contractual fine. Until the contract fulfilment guarantee has been submitted, we have the right to withhold payments. The contract fulfilment guarantee will be returned upon completion and fully defect-free submission of the service.

### X. Supplies

1. The materials provided (pipes, parts, data or drawings) are and remain the property of the client and must be used only for fulfilment of the contract.
2. The contractor is obligated to store the supplied materials properly and separately and to insure them.
3. Until complete return of the materials named under No. X.1. to the client, the contractor bears the full risk of accidental damage, loss and destruction.
8. To secure warranty claims, we will retain 5% of the agreed upon gross labour compensation for the duration of the warranty period agreed upon. The contractor can release this retention no earlier than upon the due date of the final payment and step by step against submission of an open-ended, directly enforceable guarantee from a domestic bank, savings and loan or insurance company for securing our warranty claims (warranty guarantee) in the same amount.

### XI. Special provisions for work contracts and design and engineering services

1. The price specified in the order is a fixed flat price with which all services necessary for delivery performance and achievement of work execution are compensated.
9. If entry onto our plant premises or the premises of our client's plant is necessary for performing the work, the contractor will observe all existing accident prevention regulations and the supplementary

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instructions of our company or of our client's responsible employees.

10. As far as legally permissible, the contractor transfers to us all intellectual property rights to his services and issues us comprehensive, unlimited use and exploitation rights. In particular, we have the right to use, continue, alter or publish the services performed by the contractor without his participation, and to transfer these rights in full or in part to a third party. This also applies if this contract ends prematurely.

If, in relation to the order, improvements arise in regard to the documents or expertise we have delivered, we are entitled to free-of-charge non-exclusive usage rights for commercial exploitation. In regard to the item he has delivered or the work he has performed, the contractor grants us an unlimited, uncompensated right of use.

In case of proprietary rights being developed jointly by the contractor and the client, the parties shall reach an understanding with regard to ownership of the respective rights, the nature and scope of such rights including their administration and associated costs.

### **XII. Place of fulfilment / jurisdiction / applicable law / right of retention / offset**

1. The place of fulfilment for the contractor's deliveries and services is the agreed-upon delivery site, and for the client's payments it is his place of business.
2. The domicile of the client serves as the jurisdiction for all disputes arising from the contractual relationship. The client can also sue the contractor in the latter's general jurisdiction.
3. All legal relationships between the contractor and client are exclusively subject to the substantive law of the Federal Republic of Germany to the exclusion of UN purchasing law and excluding the connection standards of international private law.
4. Set-off by the contractor or exercise of a right of retention by the contractor is impermissible unless the contractor's counter-claim has been legally established, is uncontested or acknowledged on our part.

### **XIII. Closing provisions**

1. The contractor agrees that the client will record and process his data on computer to the extent permissible under the European Law on Personal Data Protection (DSVGO).
2. If insolvency proceedings regarding the contractor's assets are applied for or initiated, the client has the right to cancel the contract without prior notice.
3. If individual provisions of these General Purchasing Conditions are or become fully or partially null and void, this does not affect the validity of the other provisions. Applicable legal regulations apply in place of the void provisions.