

**Terms and Conditions of Purchase**  
**for production material and operation equipment**  
**P R I N Z VERBINDUNGSELEMENTE GMBH**  
**P R I N Z GMBH & CO. KG**  
**(Last updated: 06/2021)**

**Area of application**

1. These Terms and Conditions of Purchase apply to business operators, corporate bodies under public law or special funds under public law (hereinafter “Partner”).
2. These Terms and Conditions of Purchase apply to every (supply) framework agreement (hereinafter “agreement”) and all individual agreements and/or orders in line with an agreement (hereinafter “individual agreement”) with the Partner. The Partner’s terms of business, which we do not explicitly acknowledge, do not have any validity.
3. The Terms and Conditions of Purchase also apply to all future orders and contractual relationships between us and the Partner.

**General provisions**

4. The contracting parties must immediately confirm verbal agreements in detail and in writing.  
  
Insofar as written form is intended or required in these Terms and Conditions of Purchase, text form (§ 126 b of the German Civil Code - BGB) suffices in safeguarding the written form requirement.
5. If individual parts of these Terms and Conditions of Purchase are or become invalid, the validity of the remaining provisions is not affected thereby.
6. We are entitled to terminate the agreement without notice for good cause. In particular, good cause is indicated if, after the agreement has been made, it is determined that our claims for delivery defined in the agreement are at risk due to the lack of the Partner’s performance and the Partner does not credibly assure its performance within a reasonable period of time despite being requested to do so. Statutory cancellation rights and rights of withdrawal as well as the rights in accordance with sec. 29 remain unaffected.

**Orders**

7. All offers from our partners are free of charge and non-binding.
8. If the Partner does not accept our order within 2 weeks as of receipt, we are entitled to cancel said order.
9. Delivery schedule are, at the latest, binding if the Partner does not object within 3 days as of receipt. Delivery schedules could be transmitted via EDI.
10. We can demand changes to the delivery item and/or the delivery dates, unless this would be unreasonable for the Partner. In the process, the consequences, particularly regarding the additional and lower costs as well as the delivery dates, must be settled amicably and appropriately.

## **Long-term agreements and call-off purchase orders**

11. Agreements and individual agreements that are indefinite or have a term longer than 2 years ("long-term agreements"), can be terminated giving 3 months' notice to the end of the month.

## **Confidentiality**

12. The Partner will only use any documents (including samples, models and data) and knowledge obtained in connection with this business relationship for the mutually pursued purposes. If we have marked these confidential or have an obvious interest in keeping them confidential, the Partner must not disclose them to third parties and must treat them with the same diligence as it would its own documents and knowledge.

This obligation applies from the time the documents or knowledge were/was first obtained and ends 36 months after the end of the business relationship.

13. This obligation does not apply to documents and knowledge that are public or the Partner was already aware of at the time they were obtained without being obligated to maintain confidentiality, which were later transmitted by a third party authorised to disclose them, or were developed by the Partner without using confidential documents or knowledge of our company.

The provisions of the law under the German Trade Secrets Act (GeschGehG) remain unaffected.

## **Drawings and descriptions**

14. Drawings and descriptions we give the Partner remain our inalienable physical and intellectual property, which must be returned unsolicited after completion of the individual agreement.

The partner will transfer the ownership of drawings and descriptions created according to our specifications after they have been paid in full.

## **Samples and manufacturing equipment**

### Samples and manufacturing equipment the Partner manufactures or procures itself

15. Provided a reimbursement of manufacturing costs for samples and manufacturing equipment (tools, moulds, templates, etc.) was stipulated, these costs must be, unless otherwise agreed upon, invoiced to us separately from the goods to be delivered. This also applies to manufacturing equipment that needs to be replaced as a result of wear.
16. The Partner bears the costs for the servicing and proper storage as well as the risk of damage to or destruction of the manufacturing equipment. The Partner will store the manufacturing equipment free of charge for the duration of three years after the last delivery to us. The Partner will then send a written request to us, to provide the Partner with information within 6 weeks regarding the further use. The obligation to store said equipment ends if neither information is provided or a new order is placed within this period of 6 weeks.

17. The Partner can only use customer-specific manufacturing equipment for the supply of third parties with our prior written approval. It cannot be scrapped, made accessible to third parties or be used for any purposes other than those stipulated in the agreement without our written approval and must be kept in a safe place by the Partner.

#### Samples and manufacturing equipment provided by us

18. Manufacturing equipment and documents (this also includes samples and data), which we entrust to the Partner, remain our property.
19. The Partner is obligated to attach information to the manufacturing equipment with a reference to your property and to insure said equipment against fire, water and theft at the original value. Upon request, the Partner must verify the existence of labels and relevant insurance policies.

The Partner must immediately inform us of damages to the manufacturing equipment and have servicing and repair work conducted on the equipment at its own expense.

20. The processing, retrofitting or installation of manufacturing equipment we entrusted the Partner with is carried out on our behalf.

Goods, parts, packaging, tools, measurement equipment or other which we provide remains as our property. In case of production, assembly, mixing our materials, we obtain co-ownership of the new product in the value proportionally of the finish product. The partner is not entitled to a right of the provided part for any reason.

Provided materials is to be stored clearly and separately as our property and to be adequately insured against fire, water, theft and disasters at the cost of the partner. We are to be informed asap of any access by third parties. All costs of necessary interventions is taken by the partner.

#### **Pricing**

21. Agreed prices are fixed prices and apply until end of order processing. Subsequent increases are excluded unless they are based on subsequent change request initiated by us or on a grossly negligent breach of duty by us or willful or grossly negligent breach of duty by a legal representative or vicarious agent.

The prices are free to the receiving point specified by us, including freight, packaging and other costs (e.g. customs, tolls). If carriage forward delivery has been agreed separately, we will only assume the next freight costs; unless we have prescribed a special type of transport. Additional costs for any accelerated transport necessary to meet the delivery date are on supplier costs.

#### **Proof of origin, supporting documents pertaining to value-added tax and export restrictions**

22. The Partner will immediately provide proof of origin needed according to legal requirements or requested by us furnished with all information required and properly signed. The Partner will inform us in writing immediately and unsolicited if the information in the proof of origin for the goods delivered is no longer accurate.

23. The same applies for supporting documents pertaining to value-added tax for deliveries abroad and intra-Community deliveries.
24. The Partner will immediately inform us if a delivery is completely or partially subject to export restrictions according to German or any other law.

#### **Payment terms, assignment of claims, offsetting**

25. Unless otherwise stipulated, we will pay subject to the provision in sec. 27 within 14 days after delivery and receipt of the proper invoice with a 3 per cent discount, 30 days after delivery and receipt of the proper invoice with 2 per cent discount, or within 60 days net. The respectively later period in time is decisive for the commencement of the term of payment.
26. When accepting a premature delivery, the payment date complies with the stipulated delivery date.
27. In the event of defective delivery or delays in delivery, we have the right to withhold payment proportionately until proper fulfilment.
28. Without our written approval, which cannot be denied unfairly, the Partner is not entitled to assign its claims against us or have them collected by third parties. This approval is deemed granted if an extended retention of title has been negotiated.

If, contrary to sentence 1, the Partner assigns its claim against us to a third party without our approval, the assignment is nonetheless effective. However, we can, according to our own discretion, make our payment to the Partner or the third party with the effect of full discharge.

The Partner can only offset against counterclaims that are established as final and absolute, ready for judgement or undisputed. Furthermore, the Partner's right of retention or right to refuse performance only exists within these limitations.

29. If we are obligated to pre-performance in line with an individual agreement, we can refuse our payment and the define a reasonable period of time for the Partner, in which the Partner must delivery or furnish security progressively against payment if it becomes apparent, after concluding the agreement, that our claim for delivery is at risk due to the lack of performance by the Partner. The Partner's lack of performance is assumed if the Partner's creditworthiness is assessed by Euler Hermes with "high risk" (assessment grade 7) or worse or if a credit insurance company adjusts limits for the Partner that are not merely minor. If the Partner refuses or the period of time expires unsuccessfully, we have the right to withdraw from the agreement and to demand compensation.

#### **Delivery and passing of risk**

30. Delivery times and dates are binding. Unless otherwise stipulated, the Partner delivers "CIP". Expected delivery delay must reported to us immediately; however, this does not release the supplier from any claims for damages to which it may be entitled. If the delivery is not agreed "CIP", the supplier must provide the goods in possible times, taking in account the usual time for loading and shipping.
31. The delivery time commences with the sending of the order confirmation and is extended appropriately in the case of force majeure.
32. Partial deliveries are only permissible if specifically agreed upon.

33. Within a tolerance of 3 per cent of the total order quantity, production-related over-deliveries or short deliveries are permitted. Consequently, the total price is adjusted accordingly.

### **Working on our premises**

34. Individuals who work on our premises to fulfil the Partner's obligations are subject to our company's work regulations and our orders regarding the accident prevention, occupational safety, environmental and other regulations applicable on our premises. Hazardous materials can only be used within our company after coordinating with our specialised personnel and must be properly labelled.

### **Delay in delivery**

35. If the Partner expects that the goods will not be able to be delivered within the delivery time, the Partner must immediately inform us of this in writing, explain the reasons for this as well as notify us of the estimated time of delivery as far as possible.
- 35 a. In the event of a delay in delivery, we are entitled to request a contractual penalty amounting to 0.3% of the net order value of the respective delivery per full work day however, a maximum of 5% of the net order value. We are entitled to reserve the contractual penalty until payment of the concerned goods. Further claims we have due to the Partner's delay in delivery remain unaffected by this. The Partner's liability for damage also includes possible lump-sum compensation and contractual penalties that we owe our customers due to the delay in delivery, provided that these are not uncommon or we have informed the Partner of the lump-sum compensation or contractual penalty agreed upon with the customer.

### **Retention of title**

36. The Partner reserves the title to the delivered goods until full payment has been made (standard retention of title). Other types of retention of title, particularly an extended retention of title, only apply with our explicit approval.

### **Defects as to quality**

37. The goods must meet the stipulated specifications and that, which must be expected with the Partner's knowledge of the purpose however, at least the mandatory legal requirements and the best available technology. The time of the passing of risk is decisive for the condition of the goods as per agreement.
- 37 a. The Partner must adhere to the respectively effective legal requirements of the European Union (EU) and the Federal Republic of Germany when delivering its goods. For instance, this applies to – so far as relevant – the REACH Regulation (Regulation EC no. 1907/2006), the German Electrical and Electronic Equipment Act (ElektroG), the German Ordinance on Hazardous Substances in Electrical and Electronic Equipment (ElektroStoffV) and the German End-of-Life Vehicle Ordinance (AltfahrzeugV) as the German implementation of the EU Directives 2011/65/EU (RoHS 2), 2012/19/EU (WEEE Directive) as well as the EU Directive 2000/53/EC.

The Partner must immediately inform us of relevant changes to the goods, its supply availability, applicability or quality caused by legal requirements, particularly by the REACH Regulation and in individual

cases, coordinate measures to be taken with us. The same applies as soon as and to the extent to which the Partner recognises that such changes are imminent.

38. Material defect claims fall under the statute of limitations in 36 months. This does not apply if the law stipulates longer periods, particularly for defects in a building and for goods that were used for a building according to their common use and caused said deficiency.
39. If the Partner fails to meet a reasonably set deadline without having supplied repaired goods or goods free of defects, we are entitled to eliminate the defect or have a third party eliminate the defect at the Partner's expense. The statutory provisions regarding the dispensability of a deadline as well as all legal rights based on defects including right of recourse remain unaffected.

### **Defects of title**

40. The Partner ensures that all deliveries are free of third-party rights and particularly that the delivery and use of the goods do not infringe on any patents or other industrial property rights in the stipulated country of delivery, in the European Union, Switzerland, Turkey, Great Britain and - insofar as the Partner was informed thereof - in the intended countries of use.
41. Insofar as the Partner is directly liable to the third party by law, the Partner must indemnify us from third-party claims resulting from possible infringements of industrial property rights and bear all necessary costs that result in this connection.
42. Claims based on defects of title fall under the statute of limitations within the same deadline as material defect claims do.

### **Other claims, Partner's liability**

43. Insofar as the Partner is responsible for a product defect, the Partner is obligated to indemnify us from third-party damage claims in this respect, given the cause is within the Partner's realm of control and organization and the Partner is personally liable in relation to third parties.

Within this scope of liability the Partner is also obligated to compensate for possible expenditures pursuant to §§ 683, 670 of the German Civil Code and pursuant to §§ 830, 840, 426 of the German Civil Code resulting from or in connection with a recall we or our customers implemented. We will inform the Partner - where possible and reasonable - of the content and scope of the recall measures to be conducted and give the Partner an opportunity to comment. This does not affect any other legal rights.

The Partner is obligated to maintain product liability insurance with an appropriate coverage and amount. If we are entitled to further damage claims, these remain unaffected.

### **Our liability**

44. Possible damage claims, no matter the legal grounds, can always only be asserted against us in the event of intent, gross negligence of our legal representatives or executive employees and in the case of a culpable breach of essential contractual obligations, i.e. obligations, which must be fulfilled for proper execution of the agreement and which can typically be expected to be fulfilled by the contracting parties. In the event of a culpable breach of essential contractual obligations, we are only liable for reasonably foreseeable damages typical for the agreement.

The liability limitation does not apply in cases in which we are mandatorily liable for personal injuries or material damages according to the Product Liability Act and in the event of fatal, physical or health injuries.

### **Force majeure**

45. Force majeure, labour disputes, riots, military conflicts, terrorist attacks, official measures, epidemics and other unforeseeable, unavoidable and severe events relieve the contracting parties from their liability for the duration of the disruption and to the extent of its/their effect. Within reasonable bounds, the contracting parties are obligated to immediately provide the necessary information and to adapt their obligations to the altered circumstances in good faith.

### **Place of fulfilment, place of jurisdiction and applicable law**

46. Place of fulfilment for the delivery of the goods is the place of destination we name.

Place of fulfilment for our payments is our place of business, which concluded the agreement or individual agreement.

Claims for defects must be fulfilled, where the delivered goods are in each case.

47. The place of jurisdiction for all legal disputes resulting from or in connection with an agreement or individual agreement, including those related to payment of bills of exchange and checks, is our registered office. We are also entitled to file actions with the court having jurisdiction over the Partner's registered office.

48. This contractual relationship is solely subject to the laws of the Federal Republic of Germany.

The application of the UN Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG - "Viennese UN Purchase Law) is excluded.