

General purchasing conditions of GEZE GmbH (GEZE)

1. Areas of application

The following conditions apply to all orders of GEZE from its suppliers. They are recognized by the supplier upon the acceptance of the order and are valid for the entire duration of the business relationship in the current version.

2. Conclusion of contract

2.1 The supplier must comply with the requirements of GEZE regarding quantity and properties with respect to offers. He must specifically mention any discrepancies. Offers are issued free of charge.

2.2 The supplier undertakes to issue a binding offer within a period of maximally 14 days from the date of each request. Only a subsequently issued written order represents the acceptance of a contract and is binding on GEZE. Emails or verbal agreements only become binding if they are confirmed by the subsequent issue of a written order.

2.3 The supplier shall effect written correspondence and any communication relevant to a contract solely with the purchasing department of GEZE. Agreements with other departments must be authorised by the purchasing department to be effective.

2.4 GEZE reserves the right to withdraw from a delivery contract concluded due to an order at any time, if the supplier sends a written order confirmation not later than seven days after dispatching the order. In the context, as well, of written order confirmation, deviation from the order is only authorised with the prior specific authorisation of GEZE.

3. Delivery, transport, packaging, proof of origin

3.1 Delivery is effected on the basis of a separate individual order.

3.2 The supplier accepts the risk and costs of transport (delivery 'ex works') and delivers to the address specified in the order (delivery DDP in accordance with Incoterms 2010). This address is also the place of fulfilment.

3.3 To prevent damage and loss of quality, he guarantees that the products are stored and delivered in suitable means of transport as well as packaging consistent with their quality. For Kanban delivery GEZE shall provide transport containers as packaging. The supplier must ensure that the total weight of each crate including tare does not exceed 30 kg. Unless something to the contrary is agreed upon, the supplier must take back packaging materials at his own expense.

3.4 GEZE must be provided with a written dispatch notice immediately when deliveries depart. Every delivery must be accompanied by a delivery slip. Dispatch notice and delivery slip must specify the order quantities, the quantity of goods delivered and their descriptions according to the order. For partial deliveries the outstanding balance quantity must be specified on the dispatch notice.

3.5 The supplier also undertakes to provide GEZE with signed proofs of origin voluntarily and immediately. These include:

- Suppliers' declarations
- Movement certificates or declarations of origin in terms of a preference document of the European Community
- Certificates of origin in accordance with non-preferential origin specifications

The proof of origin must have all the necessary details and must be duly signed. It must be enclosed as long-term declaration or for every delivery once a year depending on the requirement of GEZE.

3.6 In case of additional deliveries that exceed the standard dimensions, GEZE is not obliged to accept them but is authorised to return the excess goods at the expense of the supplier or placed in storage.

3.7 In case of premature deliveries, GEZE is not obliged to accept the goods, but is authorised to send back the goods delivered prematurely or have them stored with a third party at the expense and risk of the supplier.

4. Costs and payment terms

4.1 The prices stated in the order are fixed prices, including freight and delivery costs as well as packaging freight prepaid. Price increases will only be accepted if they have been expressly authorised in writing by GEZE.

4.2 Invoices must be submitted immediately on delivery, and specifying the order date, by email to accounts.payable@geze.com. It is imperative that a booking-ready invoice be present in which the order number, position number and material number are specified. Should additional expenses be incurred by GEZE due to imputable negligence on the part of the supplier, the supplier is obliged to reimburse said costs. Invoices must never be included with the goods, since if there is a violation of this agreement they represent no claim for payment.

4.3 GEZE shall pay invoices due within 14 days after receipt of invoice minus a 3% discount, or within 30 days net cash.

5. Compliance with capacity and date; delayed delivery

5.1 It is imperative that delivery dates and deadlines set by GEZE be complied with. These represent dates of receipt at GEZE.

5.2 The supplier guarantees that he will provide sufficient capacity to manufacture according to the expected demand and constantly supply the security stock levels deriving from the price agreement in order to comply with deadlines. Through flexible working hours and flexible production quantities, he can absorb capacity increases or capacity decreases based on deviations in demand.

5.3 The supplier may use subcontractors only after prior written authorisation by GEZE.

5.4 Deliveries are made on a 'first in, first out' basis in order to avoid obsolescence of stocks.

5.5 Adherence to deadlines (without assembly or installation) is contingent upon the receipt of deliveries to the address specified by GEZE.

5.6 If the defined delivery date is exceeded, delivery default exists without the need for notice of default. Such a delivery delay authorises GEZE to demand a lump sum in damages in the amount of 0.5% of the net order value per commenced day of delay, but not exceeding 5% of the total net order amount. In addition, GEZE holds statutory claims, particularly to damages due to default. The supplier has the right to prove that no loss or significantly less loss has been incurred due to the default. The lump sum is then reduced accordingly.

5.7 If circumstances arise or become known to the supplier on the basis of which the agreed upon delivery time cannot be complied with, the supplier is required to immediately inform GEZE of this. If in such a case accelerated transport is necessary in order to comply with agreed upon delivery dates, the supplier must pay the additional costs incurred for which he is responsible.

5.8 The supplier can only take recourse to the absence of necessary documents and components to be supplied by GEZE in connection with delivery delays if said documents had been requested in advance and were not provided by GEZE despite a reminder.

6. Warranty/liability

6.1 Among other things the supplier guarantees that the delivered products:

- Meet the requirements of the specifications;
- Are consistent with the state of the art and the applicable statutory and regulatory requirements;
- Do not possess defects that cancel or limit the value or suitability of the product;
- The agreed-upon testing processes are carried out properly.

6.2 The inspection obligation of GEZE is restricted to faults, which are detected during the goods receipt inspection under external examination including delivery documents as well as during quality inspection during sampling. All defects that cannot be detected due to packaging or random sampling are considered as hidden defects. If a complaint (defect notification) is made by GEZE within 14 working days of delivery (receipt by supplier), it is considered as immediate and timely.

6.3 In case of faulty delivered products, GEZE is entitled to demand improvement or additional supply from the supplier, at its own preference. If the supplier cannot or does not take such action immediately, IST can withdraw from the contract, return the products at supplier's risk and obtain products elsewhere. The resulting necessary expenses are borne by the supplier. GEZE further reserves the right to carry out the improvement or to get it done by a third party. The resulting expenses are borne by the supplier. The supplier must return the products (or parts of them) to be replaced by him on demand and at his own expense.

6.4 The warranty period for defects in contractual products is 24 months from the time of resale or installation by GEZE.

6.5 The supplier is liable for all damage and consequential damage for which he is responsible, in accordance with statutory regulations.

6.6 The supplier is under obligation to take out product liability insurance with an adequate insurance sum and prove it if requested.

6.7 If a claim is made against GEZE on the grounds of a product of the supplier, for example in terms of liability or violation of trademark rights, the supplier undertakes to indemnify GEZE against said claims at his first request, insofar as and to the extent that the relevant loss was caused by a defect in the contractual object delivered by the supplier. The supplier shall bear the burden of proof. GEZE shall inform the supplier about the

assertion of such claims by third parties and acknowledge no payments or claims without prior consultation. This stipulation does not apply if the supplier has manufactured according to samples and drawings provided by GEZE.

6.8 If a recall is officially required due to a defect in one of the products delivered by the supplier or for preventing loss objectively and if an error is attributed to the fault of supplier, he shall reimburse all costs accruing from the recall.

6.9 The supplier guarantees that the products commissioned will be supplied exclusively to GEZE, and processed/sold exclusively by GEZE.

7. Force majeure

7.1 Force majeure (such as natural catastrophes, earthquakes etc.), strikes, official measures and other circumstances, which are beyond the direct influence and control of GEZE, release GEZE of contractual obligations for the duration of its existence and within the extent of the effects.

7.2 If resultant delays exceed the period of four weeks, GEZE may withdraw from the contract without claims being asserted against him.

8. Initial samples, tools, devices, etc.

8.1 If the supplier is granted an order for the supply of initial samples, these shall be tested for fulfilment of agreed specifications and their serial capability to be demonstrated by the supplier. An initial sample test report (ISTR) according to VDA is to be prepared for this. In addition, a material test report according to VDA is required in which the material composition and mechanical properties are itemised. An initial sampling is required for:

- Delivery of new parts from a new supplier;
- For existing parts, with a new revision level for drawings or specifications;
- For conversion to new or reconditioned tools.

8.2 If GEZE has agreed that the supplier will take over the cost of the tools, the tools transfer immediately to the ownership of GEZE on (partial) payment of the costs, whereby the tool remains on loan to the supplier until such time that the assignment is completed, unless agreed otherwise in writing.

8.3 The provisions of point 8.2 are analogously applicable for tools, whose expenses have contractually been completely and partially included in the price of the ordered article. These tools must be kept operational by the supplier free of charge and must be returned to GEZE at first request after the order is completed.

The same applies to tools that the supplier receives for the manufacture of parts. The tools may only be used for purposes other than the manufacture of the parts supplied by GEZE as per contract with written authorisation.

8.4 The supplier shall guarantee that the tools have not been copied and made accessible to third parties in any form without the express written consent of GEZE. The supplier shall bear the cost in case of loss or damage.

9. Ban on cession

The parties agree that the cession of all claims in the context of this contract is ruled out for both parties.

10. Confidentiality

10.1 The supplier is under the obligation to treat all the information, such as data, plans, drawings, knowledge, calculations and experiences, such as company and operational secrets (all 'confidential information') which he has obtained directly or indirectly within the scope of cooperation with GEZE, as confidential and to not make them accessible to third parties and to use them exclusively for implementing this contract.

10.2 The supplier must ensure compliance with this obligation, including by the individuals employed to work for him (GEZE employees and approved representatives),

whereby the circle of the individuals involved must be correspondingly kept at minimum (need-to-know-basis). If these individuals need to be brought in, they are obliged to the same scope of confidentiality as here.

10.3 The confidentiality obligation is not applicable, insofar as the notified information and documents

- are already public (generally known, are a part of the latest technological developments),
- were already known to the supplier at the time of notification or
- were subsequently notified by a third part without any mandatory confidentiality obligation, or
- must be published on the basis of official or judicial order.

The supplier shall bear the onus if there is an exception in the confidentiality obligation, and inform GEZE immediately of any duty of publication.

10.4 If confidential information is passed to the supplier, it remains the property of GEZE. Transfer to third parties is prohibited as is the delivery of objects according to these drawings, models etc. Information can be released to third parties only after obtaining prior consent of GEZE or on the basis of an official obligation. In this case, GEZE must be informed immediately.

10.5 The obligation of non-disclosure is also applicable if the contract about the collaboration does not materialise. It ends five years following signature of the contract, however at the earliest three years after completion of the planned serial delivery/collaboration. The supplier shall completely and immediately return all the documents, which it has received on the basis of the collaboration in each case, to GEZE without being asked. Digital documents, including any files and copies created, must be deleted, with evidence provided to GEZE on request.

10.6 The supplier is also under obligation to adhere to the statutory data protection regulations.

11. Prohibition of recruiting employees

11.1 The supplier must refrain from actively having third parties recruit employees (employees and freelancers) of GEZE indirectly or directly. This ban on recruitment applies commencing upon conclusion of the purchasing conditions and for the duration of 12 months after termination of the contractual relationship or after the completion of the execution of a relevant order.

11.2 The supplier has the right to prove that the appointment of the former GEZE employee was not based on targeted recruitment.

12. Information obligations / Last-Order /contractual penalty

12.1 The supplier undertakes to inform GEZE about significant changes. This applies in particular regarding:

- Company
- Address
- Holdings and cooperation
- Products from new/modified production methods
- Products with starting material from a new subsupplier
- Changes in production location
- Products whose delivery dates back to more than 24 months or that was stopped on the basis of quality problems

The same obligation applies if, according to 5.2, he makes use of a third party (subcontractor) for the fulfilment of the contract.

12.2 On delivery of tool-related parts, the supplier give CEZE six months' notice of dissolution or termination of the business relationship. GEZE then has the option of a one-off last-call to call off parts under the terms agreed, whereby GEZE determines the scope of the call-off.

12.3 If the supplier breaches fundamental contractual obligations, GEZE is authorised to demand a suitable lump sum contractual penalty in the amount of up to € 50,000. The enforcement of a higher claim continues to be reserved. The contractual penalty is added to the damages amount.

13. Social responsibility and environmental protection

The supplier undertakes to adhere to the current legal and administrative regulations concerning dealing with employees, environmental protection and work safety. He must exert efforts to ensure that during his activities disadvantageous effects on man and the environment are ruled out as far as possible. National and international regulations regarding declarable substances must be respected and adhered to (for example: REACH, RoHS) - each in the latest valid version. Should a substance/material that is used require a declaration or be forbidden, this must be made known immediately. The supplier attests with his signature to the physiological safety of his products.

14. Miscellaneous

14.1 The use of the name or products of GEZE as reference or advertising is only authorised with written permission.

14.2 If parties do not agree otherwise, place of fulfilment is understood to be the works of GEZE in Leonberg.

14.3 Stuttgart is expressly agreed upon between the parties as the place of jurisdiction for all disputes arising out of or in connection with this contract.

14.4 In terms of contractual relationships, German law applies, with the exclusion of the UN Agreement on Contracts or the CISG (UN Convention on Contracts for the International Sale of Goods) of 11 April 1980.

14.5 Should one or more of the present conditions be or become ineffective or unenforceable, this shall not affect the effectiveness or enforceability of the

remaining conditions. The ineffective or unenforceable condition shall be replaced by an effective and enforceable one that comes as close as possible to the economic purport of these general purchasing conditions. The same applies to loopholes in the contract.

14.6 Other changes and additions to this contract require the written form. No contractual party may take recourse to a deviation from the contract as standard procedure as long as said deviation has not been confirmed in writing.

14.7 Delivery and contractual provisions used by the supplier only become the contractual basis if this is confirmed in individual cases by GEZE. This also applies if the supplier uses his own delivery terms in the future and refers to their validity on a company letterhead.

14.8 Silence on the part of GEZE with regard to suggestions, demands or other documents of the supplier shall in no case constitute consent.

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