

## 1 General information – Scope

1.1 These General Purchasing Conditions apply exclusively; opposing general terms and conditions of the supplier which differ from these purchasing conditions shall not be recognized by **INVENT** unless **INVENT** has expressly agreed to their validity. These purchasing conditions also apply if **INVENT** unconditionally accepts a delivery from a supplier while having knowledge of opposing General Terms and Conditions of this supplier or of those differing from these General Purchasing Conditions.

1.2 Individual agreements made with the supplier in isolated cases (including side agreements, supplements and changes) take precedence over these General Purchasing Conditions. A written contract or a written confirmation by **INVENT** is decisive for the content of such agreements.

1.3 These General Purchasing Conditions apply solely to contractors. Contractors in terms of these business conditions are natural persons or legal entities or legally responsible partnerships who carry out commercial or independent professional activities (§ 14 BGB "German Civil Code").

## 2 Conclusion of contract

2.1 **INVENT's** request that the supplier submit a tender is not a binding order in itself, but rather non-binding and subject to confirmation.

2.2 The order by **INVENT** shall become binding no earlier than upon written submission or confirmation.

2.3 The supplier is obliged to confirm **INVENT's** order in writing or to unconditionally deliver the merchandise within a deadline of one week (acceptance).

A belated acceptance shall be treated as a new tender and requires acceptance by **INVENT**.

2.4 **INVENT** shall retain its ownership and copyrights to catalogues, technical documentation (e.g. drawings, plans, computations, calculations, references to DN standards) or other documents – also in electronic form; they may not be made accessible to third parties without **INVENT's** explicit consent. They must be used solely for manufacturing by reason of **INVENT's** order; they must be returned unrequested to **INVENT** upon completion of the order.

## 3 Delivery deadline and delay

3.1 The delivery deadline or delivery period specified in the order is binding.

3.2 The supplier is obliged to immediately notify **INVENT** in writing if circumstances arise or become known which result in a contractually agreed delivery deadline not being able to be met.

3.3 In the case of a delayed delivery, **INVENT** is entitled to legal claims (particularly withdrawal and compensation for damages).

## 4 Prices – Terms of payment

4.1. The price specified in the order is binding. All prices are understood to include the legal VAT if it is not separately indicated.

4.2 If not otherwise agreed on in the individual case, the price shall include all services and ancillary services of the supplier, which include delivery DDP "Delivery address" (Incoterms 2010) together with the packaging. The supplier must take back the packaging at **INVENT's** request. The delivery shall be made to **INVENT's** headquarters in Eltersdorf, Germany if no other delivery address is specified and nothing else is agreed on.

4.3 The agreed purchase price shall be due within 90 days of the complete delivery and service (including a possibly agreed acceptance) and the receipt of a proper invoice. If **INVENT** pays the purchase price within 14 days, calculated from the delivery date, then the supplier shall grant a discount of 5%, for payments within 30 days 3%, and for payments made within 60 days, 1.5% from the net invoice amount.

4.4 An invoice is only deemed proper if

- (1) it includes the data in accordance with § 14 Para. 4 German Sales Tax Law (UStG),
- (2) specifies the order number, project number and the personal responsible in accordance with the order data and
- (3) includes the supplier's IBAN.

Collective invoices cannot be processed.

All of the invoices must be sent by mail as originals with one copy.

The supplier shall be responsible for all consequences due to non-compliance

with this duty if he cannot prove that he is not at fault.

4.5 **INVENT** does not owe any default interest. The annual default interest is 5 percentage points above the respective base interest rate. The legal regulations apply in the case of default, whereby a written reminder by the supplier is required.

4.6 **INVENT** shall be entitled to set-off and the right of retention to the extent permitted by law.

## 5 Performance, delivery, delivery documents, transfer of risk

5.1 The supplier may not have third parties (e.g. subcontractors) render its services without **INVENT's** prior written consent. The supplier shall bear the procurement risk for its services if nothing else has been agreed on in the individual case.

5.2 The delivery shall be made DDP "Delivery address" (Incoterms 2010) to the location specified in the order. The delivery shall be made to **INVENT's** headquarter in Eltersdorf, Germany if no other delivery address is specified and nothing else is agreed on. The place of delivery is also the place of fulfilment (Discharge of debt).

5.3 The supplier is obliged to specify **INVENT's** order number, project number and person responsible on all of the shipping documents and delivery notes; **INVENT** shall not be responsible for processing delays if this is not done.

5.4 The risk of incidental destruction or deterioration of the product shall be transferred to **INVENT** upon handover at the place of fulfilment. If an acceptance procedure is agreed on, then this shall be decisive for the transfer of risk. Apart from that, the legal regulations also apply for the acceptance procedure in accordance with the Contract Law for Work. Default of acceptance by **INVENT** shall be equivalent to delivery or acceptance.

## 6 Granting of rights

6.1 The supplier shall grant **INVENT** the exclusive and irrevocable right without restriction in terms of place, time or content to all known and unknown types of usage of the services and work results, originating from the order, as they arise. **INVENT** is particularly authorized without restriction to reproduce and edit the performance and work results and to transmit them in other forms of represen-

tation and to change, continue or supplement them in other manners, to distribute them in changed and unchanged form, to publicly express them, to grant sublicenses and to transfer all usage rights against payment or free of charge.

6.2 If performance and work results arise which can be protected by commercial property rights, then the supplier is obliged to report this to **INVENT** in writing without delay. **INVENT** shall have the option of registering these property rights in its own name. The supplier shall extensively support **INVENT** in this process, particularly by providing any information required for this without delay, submitting all required clarifications and taking all necessary actions. The supplier is prohibited from making a corresponding registration in its own name or that of a third party or of directly or indirectly supporting a third party in such a process.

## 7 Inspection for defects – Liability for defects

7.1 Unless otherwise agreed on, the legal regulations shall apply for **INVENT**'s rights in the case of material defects and defects of title, including incorrect and short deliveries, improper assembly, deficient assembly or operating manuals and for other breaches of duty by the supplier.

7.2 In accordance with the statutory provisions, the supplier is particularly liable for ensuring that the performance has the agreed properties and quality upon transfer of risk to **INVENT**. The product descriptions which, particularly through designation or reference in the order, are the subject matter of the respective agreement are incorporated into the agreement in the same way as these General Purchasing Conditions as an agreement on the product properties and quality. It makes no difference here whether the product description originates from the supplier or the manufacturer.

7.3 In derogation to § 442 Para. 1 S. 2 BGB, **INVENT** shall even be entitled to unrestricted warranty claims if it is unaware of the defect upon conclusion of the contract as a result of gross negligence.

7.4 The statutory provisions (§§ 377, 381 HGB) apply with the following proviso for the commercial duty to inspect and give notice of defects: **INVENT**'s duty to inspect is limited to defects which are revealed at the incoming goods inspection by an external examination

including a check of the delivery papers as well as to defects becoming evident during **INVENT**' quality inspection by random samples (for example, transport damage, wrong and short delivery). No duty to inspect exists if an acceptance process is agreed on. Apart from that, it depends on the extent to which an inspection under consideration of the circumstances of the individual case is pertinent in the ordinary course of business.

7.5 The costs incurred by the supplier for the purpose of inspection and repair (including possible removal and installation costs) shall be paid by the supplier even if it turns out that no defect actually existed.

**INVENT**'s liability to pay damages in the case of unjustified demands concerning notices of defects shall remain unaffected; **INVENT** shall be liable, however, solely if it recognised that no defect existed or was grossly negligent in failing to do so.

7.6 Should the Supplier negligently fail to honour its obligation to subsequent performance – at **INVENT**'s choice by remedying the defect (subsequent improvement) or by delivery of an item free of defects (replacement) – within a reasonable deadline set by **INVENT**, then **INVENT** can remedy the defect itself and demand reimbursement of the costs required to do this or an appropriate advance payment from the Supplier. No deadline must be set if supplementary performance by the Supplier has failed or is unreasonable for **INVENT** (e.g. due to particular urgency, a threat to the operating safety or impending occurrence of disproportionate damage); **INVENT** shall notify the supplier of such circumstances without delay.

7.7 Apart from that **INVENT** shall be authorized in accordance with the legal regulations to reduce the price or withdraw from the contract in the case of material or legal defects. **INVENT** shall also be entitled to compensation for damages and expenses in accordance with the legal regulations.

## 8 Producer liability – Exemption – Liability insurance coverage

8.1 If the supplier is responsible for product damage, then it shall be obliged to indemnify **INVENT** from claims for damages filed by third parties upon first request insofar as the cause of damage is located within its sphere of control and organization and insofar as it is liable in the external relationship.

8.2 Within the scope of its liability for claims in terms of Art. 7.1, the supplier is also obliged to reimburse any expenses in accordance with §§ 683, 670 BGB and §§ 830, 840, 426 BGB resulting from a third-party claim including any product recalls carried out by **INVENT**. **INVENT** shall notify the supplier – insofar as this is possible and reasonable – about the content and scope of the product recalls to be implemented and grant the supplier an opportunity to respond. Other statutory rights shall remain unaffected.

The supplier is obliged to maintain product liability insurance with coverage of 10 million Euro per personal/material damage case – lump-sum. If **INVENT** is entitled to further damages, these shall remain unaffected.

## 9 Rights of third parties to the delivery

9.1 The supplier shall be responsible for ensuring that third-party rights are not violated in connection with the supplier's delivery.

Where any claims are asserted on such grounds against **INVENT** by any third party, the supplier shall be obliged to indemnify **INVENT** from any such claims upon first written demand; **INVENT** shall be entitled to conclude any agreements with the third party - in particular to make a compromise - without the consent of the supplier.

The indemnification obligation of the supplier applies to all expenses which **INVENT** necessarily incurs through or in connection with the claims asserted by a third party.

## 10 Reservation of ownership - Provision of materials & Tools - Secrecy

10.1 The supplier shall process, mix or combine (further process) materials provided by **INVENT** for **INVENT**. The same applies for further processing of the delivered products by **INVENT** so that **INVENT** shall be deemed the manufacturer and acquire ownership of the product no later than with the further processing in accordance with the legal regulations.

10.2 **INVENT** shall retain ownership of any tools which it provides; the supplier is obliged to use the tools solely for the manufacture of the products ordered by **INVENT**. The supplier is obliged to insure tools belonging to **INVENT** for

their new value and at its own cost against fire, water and theft loss. At the same time, the supplier cedes as of now all rights to claim compensation from this insurance to **INVENT**; **INVENT** hereby accepts the transfer of these rights. The supplier shall be obliged to carry out the necessary servicing and inspection work as well as all maintenance and repair work with regard to **INVENT**'s tools at regular intervals and at its own cost. Any instances of malfunction shall be reported to **INVENT** immediately; damage claims shall not be affected if the supplier culpably fails to do so.

10.3 The Supplier shall be obliged to treat all illustrations, drawings, calculations and other documents as strictly confidential. Their disclosure to third parties requires **INVENT**'s explicit consent. The obligation to maintain secrecy shall also apply after this contract has been implemented; It shall expire as soon as and insofar as the production knowledge of the drawings, calculations and other documents provided has become a matter of common knowledge.

10.4 The products must be transferred to **INVENT** unconditionally and regardless of whether the purchase price has been paid. If in an individual case, however, **INVENT** accepts the supplier's offer for transfer of ownership conditional on the payment of the purchase price, then the supplier's reservation of ownership shall expire no later than with the purchase price payment for the delivered products. **INVENT** shall remain authorised to resell the products in its ordinary course of business under advance assignment of the resulting claim, even before the purchase price has been paid. At any rate, all other forms of reservation of title shall be excluded, particularly the expanded and forwarded retention of title and that extended for further processing.

## **11 Statute of limitations**

11.1 The reciprocal claims of the contractual parties become time-barred in accordance with the legal regulations, unless agreed otherwise in the following.

11.2 In derogation from § 438 Abs. 1 No. 3 BGB the general limitation period for claims for defects is three years from transfer of risk. Insofar as an acceptance has been agreed on, the statute-of-limitations shall begin with the acceptance. The 3-year limitation period also applies accordingly for claims based on defect of title, whereby the statutory limitation period for third-party claims in for the restitution of property remain

unaffected (§ 438 Abs 1 No 1 BGB); Beyond that, claims arising out of defects in title shall on no account be time-barred so long as the third party can still assert the right – particularly because it is not yet time-barred – against us.

11.3 The limitation periods of sales law, including the aforementioned extension, apply for all contractual claims for defects to the extent permitted by law. To the extent that **INVENT** is also entitled to non-contractual claims for damages because of a defect, the regular statutory limitation period (§§ 195, 199 BGB) shall apply to this unless in the individual case the application of the limitation periods under the sales law gives rise to a longer limitation period.

## **12 Choice of Law – Jurisdiction**

12.1 These General Purchasing Conditions and all legal relationships between **INVENT** and the supplier shall be governed by German Law with the exception of international uniform law, particularly the UN Sales Convention. The prerequisites for and the effects of retention of title shall be governed by the law in force at the place where the goods are stored if, under that law, the choice of German law would be inadmissible or invalid.

12.2 If the Supplier is a merchant in terms of the Commercial Code (HGB), a legal entity under public law, or a special estate under public law, then the exclusive – also international – place of jurisdiction for all disputes arising from the contractual relationship shall be the **INVENT** Headquarters in Eltersdorf, Germany. **INVENT**, however, is also authorized to institute legal proceedings at the place of fulfilment of the performance obligation or at the supplier's headquarters.

## **13 Miscellaneous**

The General Purchasing Conditions were prepared in the German and English languages. In the case that the English version differs from the German version, then the German version shall take precedence.