General Conditions of Purchase of the Company Paul Leibinger GmbH & Co. KG
Numbering and Marking Systems, 78532 Tuttinglen

I.) General

In addition to the individual agreements, these Conditions of Purchase exclusively apply to the entire business dealings with suppliers or other contractors (hereinafter collectively referred to as "Supplier"), they apply in case of constant business relations or framework agreements and, accordingly, also apply for and after the validity of our new conditions of purchase. Other general standard terms and conditions neither become the subject of the contract nor are they valid for the purpose of delivery. The Supplier is obliged to offer spare parts for the period of the usual technical use to the Buyer. We are entitled to request changes of the construction, delivery quantity and delivery time of the bought parts in case of permissible partial deliveries. If the Supplier stops the supply of spare parts, the Buyer shall be given the opportunity of a replacement delivery. If no agreement can be reached, the Buyer is entitled to withdraw from the contract. In this case, the Supplier receives an adequate reimbursement of expenses. The Supplier is not entitled to implement changes of the construction or design right of termination. In this case, the Supplier receives an adequate reimbursement of expenses. We reserve any ownership and copy rights for documents that we provide to the Supplier for the submission of an offer. They shall be immediately returned to our company upon change in case of non-submission of an offer or after order processing.

II.) Offer

The offer shall expressly point out deviations from the request. The Supplier is bound by his offer for a minimum of three months. The prices shall be quoted in euro excluding the value added tax and shall be subject to packaging allowance. The transportation costs and the associated insurance costs shall be borne by the Supplier. We reserve the right to reject the offer. The offer shall be considered as accepted by the Buyer if written notification is received within one week of the issue of the offer. We reserve the right to make changes in the order data.

III.) Order

1. Our order(s) shall be accepted within 3 working days after receipt and by means of a written order confirmation stating a binding delivery date and prices. Framework orders only entitle to the procurement of pre-material in the required extent. The confirmation of the order, the additional costs for the order and the delivery time shall be immediately returned to the Supplier upon request.

2. The Supplier shall comply with the recognised technological rules and the agreed technical data, particularly quality regulations as well as relevant protective acts and other safety regulations for the deliveries. He is encouraged to maintain a quality management system on the basis of the international standard DIN EN ISO 9001:2008 and to cooperate with other customers, if they offer him the same or similar preconditions in any specific case.

4. We are entitled to set-off rights and of retention within the limits of statutory regulations.

VII.) Prices, payment conditions

1. The price indicated in the order is considered the maximum price. It may be undercut but not exceeded. Due to the lack of a written agreement, the price includes delivery "free domicile" including the packaging. If there is a different agreement in exceptional cases, the transport costs are borne by our company in exceptional cases, the cheapest shipping type shall generally be chosen taking into consideration the transport security.

2. The risk is only passed upon delivery to the shipping address or installation and acceptance in our plant. The goods shall be managed for us free of charge and at the Buyer's risk until the delivery date.

VI.) Transport and passing of risk

1. The delivery is generally effected "free domicile" (DDP, Incoterms 2010). The Supplier shall bill the Buyer on our invoice. The delivery notes and delivery receipt will be transmitted to the Buyer. However, we reserve the right to make exceptions in case of commercial practice unless we provide packaging instructions. The Supplier is liable for losses and damage during transport, including the unloading, until acceptance in our plant. Therefore, the Supplier shall take out adequate transport insurance for his deliveries. In case of a cash discount, payment is effected subject to the cash discount agreement, however, at least within 10 days less 3 per cent cash discount and within 30 days net.

2. The date of delivery or the later invoice being for the decisive period. A delay of payment of the Supplier is excluded. Other general standard terms and conditions neither become the subject of the contract nor are they valid for the purpose of delivery. The Supplier is not entitled to assign his claims against the Buyer without his written approval. If an agreement can be reached, the Buyer is entitled to withdraw from the contract.

3. Payment is only effected following complete receipt of the defect-free goods or complete defect-free services and receipt of invoice. This accordingly applies to permissible partial deliveries. If we grant the Supplier a cash discount, the delay of payment shall not affect the creditworthiness or delivery power of the Supplier.

4. If the Supplier violates any of the obligations stated above, we are entitled to withdraw from the contract or reduce the delivery. We reserve the right to make changes in the order data.

IX.) Documentation

1. One copy of invoices, delivery notes and packing slips shall be enclosed to every consignment. These documents shall contain the name of the Supplier and our order number, quantity and value, gross and net net as well as without regard to his assets, we are entitled to a right of withdrawal that can also be exercised only in part. An order transfer to third parties without our approval is forbidden and entitles us to withdrawal or assertion of claims for the compensation of damages. The assignment of claims against us is excluded.

2. The date of delivery or the later invoice being for the decisive period. A delay of payment of the Supplier is excluded.

3. Every delivery shall be enclosed an examination document for the assurance of constant quality (e.g. examination rate and frequency shall be indicated) about the goods by the Supplier.

X.) Quality, quality assurance

The Supplier shall comply with the recognised technological rules and the agreed (technical) data, particularly quality regulations as well as relevant protective acts and other safety regulations for the deliveries. The Supplier shall oblige his subcontractors to maintain a similar quality management system, which assures the defect-free quality of his purchased parts and externally refined parts. Details shall be stipulated in the individual agreements on quality in writing by the parties.

XI.) Rights arising from products defects, defect examination, limitation, recourse

1. The Supplier shall transfer the goods free of material defects. Statutory regulations apply accordingly. If defects of the contractual item delivered by the Supplier or if the purchase price is reduced, we are entitled to demand the rejection of the goods or the delivery of defect-free goods. We are entitled to demand the replacement delivery or damage removal. If the Supplier does not carry out the remedy of defects or delivery of a defect-free object from the supplier within the scope of the warranty period, the Buyer is entitled to withdraw from the contract and to demand compensation for damages instead of performance. In urgent cases, in particular in case of imminent danger, we are entitled to remedy defects ourselves or to have them remedied by third parties at the Supplier's expense to avert acute dangers or avoid larger damage. We reserve the right to charge costs incurred in case of objection in connection with the rejection of defects to the Supplier. The Supplier bears the costs and risk for the return of defective delivery items.

2. If arrangements are missing in quality assurance agreements, the deliveries shall be examined for apparent variations in quality by our company within an adequate period of time. The notice of defects by our company is given in time if it reaches the Supplier within a period of 15 working days from the delivery receipt or, in case of hidden defects, from the time of their detection. The Supplier waives objections due to late notice of defects in this respect. The notice of the customer shall be taken as a basis in case of transit business. We reserve the right to charge costs incurred in case of objection in connection with the rejection of defects to the Supplier. The Supplier bears the costs for the return of defective delivery items.

3. The material defect claims for the product manufactured or delivered or the order executed by the Supplier shall generally expire within 12 months after the notice of defects.

4. The Supplier shall indemnify us from third-party claims in case of defects of title. A limitation period of 10 years applies to defects of title.

5. The limitation period for our delivery parts that were reconditioned or repaired within the limitation period of our claims for defects starts anew at the time when the Supplier has entirely satisfied our claims for supplementary performance.

6. If we accept the return of products manufactured or sold by our company due to the deficiency of the contractual item delivered by the Supplier or if the purchase price is reduced, we are entitled to a result or there is a requirement of setting an otherwise necessary deadline for our defect claims.
XII.) Product liability, insurance cover

The Supplier shall at his expense indemnify us from the liability due to defects of the goods as well as damage resulting to our company or third parties in this respect. The Supplier agrees on a co-insurance of this indemnification as part of business liability insurance with his insurance company. The Supplier indemnifies us from the responsibility for product damage with regard to third-party claims insofar as the reason lies within his domain or organisation area. He is obliged to reimburse expenses for a product re-call to avoid personal injury required due to the product defects caused by the Supplier. The Supplier is obliged to maintain business and product liability insurance with a minimum amount covered of a lump-sum of 2 million euro for personal and material damage. Moreover, the coverage shall also encompass damage abroad in deviation from Sect. 4 Para. 1 No. 3 General Insurance Terms for the Liability Insurance (AHV). The Supplier shall inform us about exclusions of liability for the coverage in USA/Canada. The scope of this insurance shall encompass the coverage type of the so-called expanded Product Liability Insurance (ProdhV) including the insurance of personal and material damage due to the lack of warranted characteristics of the delivery item, No. 4.1 ProdHV; combination, mixture and processing of the delivery products, No. 4.2 ProdHV; further treatment and processing in accordance with Sect. 4.3 ProdHV; assembly and disassembly costs in accordance with No. 4.4 ProdHV; production of sub-standard goods by machines in accordance with No. 4.5 ProdHV; as well as an examination and sorting costs clause in accordance with No. 4.6 ProdHV. The minimum amount covered for damage in accordance with No. 4.1 - 4.6 ProdHV shall also be 2 million euro. The Supplier provides a corresponding confirmation of the insurance to the certificate of Insurance to the buyer upon request.

XIII.) Provision of tools, materials

It is agreed that the tools and models are our property if the provision includes an assumption of the tool or model costs. The Supplier is obliged to use these items only for the production of goods ordered by our company. He is obliged to insure items within our property at the replacement value at own expense apart from risk, water, storm, burglary and vandalism damage. At the same time, the Supplier assigns the compensation claims from this insurance to our company and we hereby accept this assignment. He is obliged to implement possibly required maintenance and inspection work as well as any servicing and repair work at own expense and in due time. If we provide the items on our part, we reserve title of the items. The contractually agreed processing or transformation by the Supplier is implemented for our company. If our goods subject to the retention of title are processed, combined, or transformed in any manner that does not change the character of the aforementioned property, the co-ownership of the new item in relation to the value of our item compared with the other items at the time of processing, combination or mixture. If processing, combination or mixture are carried out in such a way that the item of the Supplier is to be regarded as the main item, it shall be deemed agreed that he assigns proportionate co-ownership to our company.

This regulation also applies if we refuse acceptance due to late or defective delivery or abstain from further orders. The provided items shall be made available to our company free of charge in such cases. Set-off is excluded.

XIV.) Property rights, indemnification

The Supplier shall be responsible to make sure that the property rights of third parties are not violated in connection with his delivery. If there are claims from third parties against our company as a result, the Supplier is obliged to indemnify us upon first demand from these claims. In case of using the property rights of third parties on the basis of licence agreements concluded by the Supplier, he shall make sure that the use of the delivered products is permitted in the countries in which the respective property rights exist. We are entitled to a free right of joint use of his property rights to the extent of the products delivered. The Supplier’s duty of indemnification refers to all expenses incurred for our company from or in connection with the claims of a third party.

XV.) Compliance with laws, regulations etc.

1. The Supplier, his subcontractors, legal successors and their employees comply with all applicable statutory provisions and regulations, codes and standards at any time, particularly the provisions on health protection, safety and environmental protection such as the applicable statutory provisions on product safety (such as the EU Machine Directives 89/392/EEC, Directives of Electromagnetic Compatibility 89/336/EEC, Low Voltage Directives 73/23/EEC), all provisions existing in the business premises of the company Paul Leibinger GmbH, its customers and possible end consumers and referring to the work (including the safety requirements). The Supplier shall obliges his subcontractors and legal successors as well as their employees in the same extent.

2. The Supplier and remains solely responsible to make sure that the products or parts of products delivered meet the requirements for contractually agreed deliveries, for business conduct in general and the treatment of employees and partners as well as the treatment of business secrets and personal data.

3. The Supplier recognises that he is solely responsible for the material compliance in this sense. With regard to the legislator, he is above all responsible to make sure that the products, component parts and materials delivered meet all compliance requirements, particularly those from the Regulations of the Directives 2002/95/EC (RoHS), REACH Regulation (EC) No. 1907/2006 and CLP as well as the national implementation provisions enacted in this respect. The Supplier recognises that non-compliance shall always be considered as gross violation of the contract and has the legal consequences stated in this contract.

4. In case of a proven violation of national or international provisions on the observation of the material compliance by the Supplier, the Supplier shall be obliged to indemnify and hold harmless the buyer from any claims, liabilities, losses, damage, judgements and external liability - regardless of the respective legal cause - and to bear any disadvantages, losses and damage caused to the buyer due to such a violation.

XVI.) Business secrets

The Supplier is obliged to treat our orders and all commercial and technical details in this respect as business secrets. The Supplier is also obliged to the non-disclosure of the documents and information after the fulfilment of the contract. Disclosure to third parties is subject to our written approval.

XVII.) Jurisdiction, place of performance, miscellaneous

1. The place of jurisdiction is our registered office in Tuttlingen. We may also file an action against the Supplier at the competent court for his registered office. Our registered office is the place of performance unless otherwise stated in the order.

2. If the law of the Federal Republic of Germany exclusively applies to all legal issues between the Supplier and our company, even if his registered office is located abroad, excluding the law of conflicts and the UN Convention on Contracts for the International Sale of Goods (CISG – “Vienna Sale of Goods Law”).

3. If individual provisions of this contract are invalid, this shall not affect the remaining terms and conditions. Invalid provisions shall be reinterpreted in such a way that the economic purpose intended with these provisions is achieved.