



# General Conditions of Purchase B. Strautmann & Söhne GmbH u. Co. KG

Version: June 2018

## 1 Scope of application

- 1.1. Orders of B. Strautmann & Söhne GmbH u. Co. KG (hereinafter referred to as "Strautmann" located in 49196 Bad Laer, Germany) are made exclusively on the basis of these General Conditions of Purchase. Conflicting conditions of the contractor deviating from these conditions of purchase shall only be deemed accepted if they are confirmed in writing by Strautmann as an addition to these terms and conditions of purchase. These Terms and Conditions of Purchase shall also apply if the delivery or service of Strautmann was accepted without reservation or was paid in the knowledge of conflicting or deviating conditions of the contractor.
- 1.2. The present Conditions of Purchase shall also apply to all future business dealings with the contractor.
- 1.3. If separate written delivery contracts and / or quality assurance agreements or other provisions deviating from these Conditions of Purchase are agreed between the contractor and Strautmann, these general terms and Conditions of Purchase shall apply subordinate and supplementary.

## 2 Conclusion of contract

- 2.1. Orders, statements and delivery schedules as well as changes and additions must be made in writing. Orders and delivery schedules can also be made by remote data transmission or fax.
- 2.2. If the contractor does not accept the order within two weeks of receipt, Strautmann is entitled to revoke it. Delivery schedules become binding if the contractor does not object within three working days of receipt, unless a shorter revocation period has been agreed.
- 2.3. Expected quantities specified by Strautmann in offers and information for certain periods are non-binding demand forecasts and shall not

substantiate any commitment.

## 3 Change of contractual object

- 3.1. Any change of the type of production or the production method, the hiring of subcontractors or the commissioning of third parties to provide the deliveries shall require Strautmann's prior consent (the consent shall be admissible via fax or e-mail). In the event of any violations of this provision, Strautmann shall be entitled to immediately terminate the contract; the contractor shall be obliged to compensate for any damage incurred by or resulting from the immediate termination.

## 4 Prices, terms of payment, transfer of risk, offsetting

- 4.1. The price specified in the contract shall be binding and must not be increased by either party for any reason. Unless otherwise specified in writing, the delivery price shall include free delivery, packaging, loading and unloading as well as ancillary charges.
- 4.2. Unless otherwise agreed upon, the general payment term shall be 14 days with a deduction of 3 % discount or within 30 days without deduction of a discount. If the price is not specified in Euro but in another currency, the respective currency shall be converted into Euro at the average exchange rate published by the European Central Bank the day before the invoice was issued.
- 4.3. The contractor bears the price and performance risk until acceptance of the goods by Strautmann.
- 4.4. Strautmann shall be entitled to offset all receivables due to them against the contractor.

## 5 Delivery, delayed delivery

- 5.1. The delivery periods or dates specified in the contract shall be binding. The contractor shall be obliged to immediately inform Strautmann if circumstances occur which give rise to the conclusion that the agreed delivery date

cannot be complied with. Decisive for the observance of the delivery date or the delivery time is the receipt of the goods.

- 5.2. The delivery shall take place in accordance with Incoterms 2010 under DDP conditions and, in the event of an intra-Community delivery of goods to Germany, under DPA conditions, unless otherwise agreed upon in writing.
- 5.3. In the event of a delayed delivery, Strautmann shall have the right to claim a contract penalty amounting to 0.5% of the value of the delayed delivery/service per completed week; however, the penalty shall not exceed 5% of the total order value. The contractual penalty is credited against the total amount of default damage claimed.
- 5.4. The acceptance of the delayed delivery or service shall not be deemed as a waiver of claims for damage and penalty to which Strautmann is entitled due to the delayed delivery or service.
- 5.5. The contractor is obliged to indicate the order number of Strautmann exactly on all shipping documents and delivery notes; if he fails to do so, delays in processing are not the fault of Strautmann.
- 5.6. Partial deliveries shall not be permitted, unless Strautmann has explicitly agreed to such deliveries by confirming this option in writing.
- 5.7. The delivery date stated on the order is the time when the goods are delivered to the recipient, B. Strautmann & Söhne GmbH & Co. KG.

## 6 Packaging, transportation

- 6.1. The contractor undertakes to pack ordered goods in an appropriate manner, carefully and properly for transport and to secure the load according to the selected transport and packaging method. Goods must be packed in such a way that they will not be damaged if properly transported by industrial trucks. The contractor hereby assumes responsibility for all damages resulting from a neglect of this obligation.
- 6.2. The delivery of the goods is usually in standard disposable packaging. If reusable packaging is used, the contractor undertakes to ensure that

it has sufficient empties for production and on time delivery.

- 6.3. Strautmann reserves the right to prescribe packaging and transportation based on an adequate statement.

## 7 Inspection of defects, claims for defects

- 7.1. Strautmann will inspect delivered goods for quality deviations as well as incorrect deliveries and externally visible damage within a reasonable period of time by random sampling to be determined by Strautmann. Strautmann shall notify any detected defects within the following periods. Non-discovered defects will be considered as hidden defects, even if they could have been detected by a proper inspection. Strautmann will communicate the defects to the contractor within the following periods:
  - a) Transportation damage and visible damage within 5 working days after receipt of the goods,
  - b) concerning quality deviations / wrong delivery within 5 working days, calculated from the discovery of the defect and installation of the goods, but no later than 1 year after installation and 24 months after delivery.
  - c) in the case of hidden defects or not detected defects by random checks, will be reported within a period of 10 working days after detecting the defect by the contractor.

Strautmann has no further obligations vis-à-vis the contractor than the above-mentioned obligations to test and report.

- 7.2. The statutory stipulations regarding material defects and defects of title shall apply, unless otherwise agreed within the General Conditions of Purchase.
- 7.3. Strautmann has the right to choose the type of supplementary performance.
- 7.4. If the contractor has not started remedying the defects within 4 working days after having been requested by Strautmann to do so and if the defects have not been remedied within a further period of 3 working days, Strautmann

shall be entitled to remedy the defects itself or have them remedied by a third party at the contractor's expense. In urgent cases, in particular to avert acute danger or major damage, Strautmann shall have the right to remedy any defect itself or have it remedied by a third party at the contractor's expense, irrespective of the aforementioned deadlines. For the remedy and any additional expenses for the examination of defects, Strautmann will charge the contractor a fixed salary of 80€ for each hour, as well as all material costs.

- 7.5. The statutory limitation period for material defects is 2 years and shall commence on the date of delivery of the contractual object. (Passing of the risk)
- 7.6. When fulfilling the claims for defects arising from warranty or quality guarantees for the replaced, newly delivered or repaired goods, the period shall commence anew upon delivery of flawless goods or of a part of such goods.
- 7.7. Any costs arising for Strautmann from a defect of the contractual object, in particular costs for the withdrawal from trade, for the waiver by the customers, transportation, infrastructure or material costs or costs for the defects specified under item 7.1. If costs of transfer inspection have increased, shall be borne by the contractor.
- 7.8. In the event that claims of whatever nature are asserted against Strautmann and that such claims are due to defects of a product manufactured or delivered by the contractor, the contractor shall be obliged to satisfy such claims for damage.
- 7.9. Strautmann shall be entitled to demand compensation from the contractor for the expenses that Strautmann had to bear in relation to Strautmann's customers because customers are entitled for compensation. This includes all expenses incurred, in particular transport, travel, labor and material costs.
- 7.10. If a good defect becomes apparent within 6 months of transfer of the risk, it shall be assumed that the defect existed already upon transfer of risk, unless this assumption is incompatible with the nature of the item or defect.
- 7.11. If a good defect becomes apparent within 12 months after fixture of the material and delivery

of the material to the customer, it shall be assumed that the defect existed already upon fixture, unless this assumption is incompatible with the nature of the item or defect. The contractor reserves the right to prove that this is not his fault, depending on the nature of the goods or the nature of the defect.

## 8 Quality

- 8.1. The contractor warrants that the goods and services to be delivered comply with the samples approved by Strautmann or the generally valid standards, laws and technical guidelines. In addition, the contractor undertakes to keep it up-to-date with the latest technology and to inform Strautmann of possible possibilities for improvement and technical changes.
- 8.2. The contractor undertakes to immediately inform Strautmann in writing of any defects resulting from the construction and the technical documentation and hereby acknowledges that the resulting deviations from the technical documentation are only permitted after the express written approval of Strautmann's quality assurance.
- 8.3. The contractor must implement and apply a documented quality management appropriate to the type and extent as well as state-of-the-art technology. He has to keep records, in particular about his quality checks and materials used, to archive them over a period of three years and to make these available to Strautmann upon request.
- 8.4. The contractor hereby agrees to support quality audits to assess the effectiveness of the quality system by Strautmann or contracted third parties by Strautmann.
- 8.5. The contractor hereby agrees to conclude a quality-agreement at the request of Strautmann. The aim of this agreement is to expand the delivery quality and reliability of the contractor to such an extent, that the regularly inspect of incoming goods by Strautmann is not needed. If defects occur in this course, the provisions for hidden defects listed in point 6 apply.
- 8.6. The contractor agrees to pay Strautmann a processing fee of 80€ for every legitimate claim, even if no direct damage has resulted from it.

8.7. The contractor hereby undertakes to respond to any complaint within 10 working days by providing a written statement and a meaningful 8D report summarizing and evaluating the results and planned corrective actions, including scheduling, for their implementation.

## **9 Confidentiality**

9.1. All business or technical information made available by Strautmann (including features derived from any objects, documents or software transferred, and any other knowledge or experience) is to be kept secret unless proven to be publicly available.

## **10 Declarations on the origin of delivered goods**

10.1. If necessary, the contractor shall provide Strautmann with a declaration or any other documents required by the customs administration or any other authority on the origin of the goods.

10.2. The contractor shall reimburse to Strautmann all costs and expenses incurring due to incomplete or incorrect declarations.

## **11 Code of conduct**

11.1. The contractor accepts the enclosed Strautmann code of conduct for business partners and undertakes to observe these rules. Likewise, the business partner agrees to fully assume liability for any damage Strautmann may incur by breach of the Code of Conduct.

## **12 General provisions**

12.1. Place of performance for deliveries and services shall be the specified receiving location. Place of performance for payments is the above named registered office of the company.

12.2. If any provision is or becomes invalid, the validity of the other provisions shall remain unaffected. If one of the aforementioned conditions or the other agreements made are or become ineffective, the validity of the remaining conditions shall not be affected. The parties shall be obliged to replace the

ineffective provisions by new ones which are equally advantageous in their economic effect.

12.3. The contracts concluded between Strautmann and the contractor shall be exclusively governed by the law of that state where the registered seat of the Company is located. The application of the CISG shall be excluded.

12.4. Verbal agreements before, during or after conclusion of the contract, in particular subsequent amendments and additions to these terms and conditions of purchase - including this written form clause - as well as side agreements of any kind, require the written confirmation of Strautmann in order to be valid. Section 2.1, sentence 2 remains unaffected.

12.5. The competent court for any disputes between the parties shall be the ordinary court competent where the registered seat of the Company is located.

