

§1**General information**

1. We conclude our purchase contracts and orders (hereinafter: orders, purchase orders or contracts) exclusively in accordance with our General Terms and Conditions of Purchase (GTCP) as amended from time to time. Our GTCP apply exclusively to entrepreneurs within the meaning of § 14 BGB (German Civil Code), fully qualified merchants and legal entities under public law.
2. Conflicting, deviating, unilateral or aberrating terms and conditions of the supplier shall not apply and shall not bind us. This shall also apply if we do not expressly object to such conditions or if we accept the delivery or service by the supplier without reservation.
3. References to the validity of statutory legal provisions shall only have clarifying meaning. Therefore, even without such clarification, the statutory legal provisions shall apply insofar as they are not directly amended or expressly excluded in these GTCP.
4. In order to develop a valid effect and to be binding collateral agreements, reservations, amendments or supplements to this GTCP, as well as every inquiry or contract requires our written confirmation.
5. Once they have been received by the supplier, our GTCP shall also apply to all future transactions, even if no express reference is made to them.

§2
Offer

1. Our inquiry for the submission of an offer is always "subject to confirmation" and does not constitute any obligation on our part until our binding order has been placed.
2. The supplier shall be bound to his offer to us for 4 weeks from confirmation of receipt by us.
3. We shall not bear any costs for the preparation of offers by suppliers to us.
4. Our inquiry is binding for the supplier's offer. The supplier must expressly point out any deviations between our inquiry and his offer. If no reference is made by the supplier, performance and delivery shall be owed in accordance with our inquiry when the order is placed.

§3
Order

1. Only written purchase orders and purchase order changes are valid. Verbal agreements are only valid after written confirmation by both parties and are not valid until then.
2. The respective order must be confirmed or rejected in writing by the supplier within 8 days of receipt of the order letter. In special cases, the supplier may request a (prolonged) review period in writing. If the supplier does not confirm the order within the aforementioned period, the contract shall be concluded on the basis of the order. If no rejection is made by the supplier, these GTCP shall be deemed accepted with the commencement of the order execution by the supplier at the latest.
3. We reserve the right to make changes within the scope of our order with regard to one or more of the following provisions: (a) drawings, drafts or specifications, (b) place and time of delivery, (c) mode of shipment and packaging, (d) quality, (e) quantity, (f) scope or schedule of the goods and/or services. The supplier will not make any changes until notified by us in writing. If changes result in an increase or decrease in the cost or schedule of work under the relevant order, a reasonable written adjustment of the order value and/or delivery schedule shall be made. Any claim by the supplier to such adjustment of the order value and/or the delivery schedule shall lapse if not asserted by the supplier against us within thirty (30) days after supplier's receipt of our notice of such adjustment. The supplier may only claim reasonable, direct costs incurred as a direct result of the change.
4. Without our prior written consent, the supplier may not (a) make changes to the goods and/or services, their specifications and/or composition and/or scope, (b) make process changes, (c) make changes or relocations of plant and/or equipment and/or tools, (d) transfer the obligations entered into under the contract to third parties (including subcontractors) or relocate work to a location other than the agreed location. Our unconditional acceptance of goods or services which deviate from the contractual agreement in accordance with this § 3 Section 4 of these GTCP shall in no case imply our consent to an adjustment of the contract.
5. We reserve all our exclusive property rights and copyrights to illustrations, drawings, calculations and other documents. The transfer and granting of non-exclusive rights of use by us to the supplier shall always take place, limited in time and as regulated below, exclusively for the purpose of contractual fulfillment by the supplier. Afore rights and materials may not be made accessible or (sub-) granted to third parties without our express written consent. They are to be used exclusively for production based on our order. After completion of the order, they shall be returned to us unsolicited and in their entirety. They must be kept secret from third parties. Any use contrary to the terms of the contract and any violation of this obligation of secrecy violates a cardinal obligation of the supplier under this contract, entitles us to extraordinary termination and justifies claims for damages the amount of which is at the discretion of a court of competent jurisdiction.

§4**Scope of Delivery**

1. The scope of delivery shall include all works, documents and other records specified in the order or the order letter. If the supplier has doubts about the prescribed design and construction, he is obliged to make suggestions for improvement in writing without delay. Any additional costs incurred as a result of changes in design and construction must be notified to us in writing without delay. A reimbursement claim by the supplier requires our prior written approval. Furthermore, where the level of creation with regard to design and execution changes is given, the conditions defined under § 12, Sections 5. and 6. GTCP shall apply.
2. Unauthorized changes by the supplier shall not be remunerated and must be remedied free of charge at the request of the purchaser. The supplier shall be liable for any costs and damages arising therefrom.

§5**Prices, Due Date and Payment**

1. The prices on which our order is based are fixed prices. Unless otherwise agreed in writing, the price shall include delivery in accordance with DAP Incoterms 2010, destination: Herne, Germany, Baukauer Str. 55, in each case including packaging, freight, postage, value assurance and transport insurance.
2. The price includes the costs of documentation, technical inspection, painting, corrosion protection, marking, signing, etc..
3. Delivery and invoice shall always and on a case by case basis be made in accordance with the order.
4. We can only process invoices if same are issued to us in accordance with the instructions defined in our order, showing the order number and order notes (cost centers etc.). The supplier is responsible for all consequences resulting from non-compliance with this obligation. Unless otherwise agreed in writing, we shall not be in default of payment if the supplier's invoicing deviates from these GTCP.
5. Payments shall be subject to the fulfillment of all performance obligations specified in the purchase order and to proper invoicing by the supplier.
6. Unless otherwise agreed in writing, we shall pay the purchase price or price for the contractually agreed service within 14 days, calculated from delivery and proper receipt of invoice, with 3% discount or within 60 days of receipt of invoice, but always provided that the contractually agreed goods were available to us at the time of receipt of invoice or the contractually agreed service was rendered in full. This also includes the handing over of all documentation owed by the supplier.
7. We reserve the right to make the payment by all recognized, customary payment methods.
8. We are entitled to set-off and retention rights to the extent permitted by law.

§6**Delivery Period**

1. Deadlines must be strictly adhered to. The delivery time stated in the order is binding and is guaranteed by the supplier.
2. The supplier is obliged to inform us immediately in writing if he realizes that agreed delivery time(s) (deadlines, intermediate and final dates) can possibly not be met. The reasons for the delay and the expected duration of the delay shall be stated. The supplier shall, with notification as before, submit an action plan (e.g. additional shifts, air freight, etc.) according to which the contractual delivery time can be met. Additional costs for corresponding measures to comply with the delivery time shall be borne exclusively by the supplier.
3. The delivery period shall be deemed to have been observed if the (partial) delivery item together with the respective documentation was handed over to the contractually agreed recipient at the contractually agreed place of destination in the quality, quantity and condition stipulated in the contract on the respective agreed (partial) delivery date. § 5 Section 1 of these GTCP shall apply mutatis mutandis unless otherwise agreed.
4. If the supplier fails to comply with the delivery time(s) agreed in the purchase order (periods, intermediate as well as final dates), he shall, based on a calculation of the delay time from the occurrence of the delay until the delivery date, bear the following concurrent contractual penalties, always calculated on the total order value per purchase order:
 - a) Delivery and Performance: 1 % for each week of delay commenced, a maximum of 10 % of the total order value,
 - b) Documentation: 0,5 % per week of delay commenced, up to a maximum of 5 % of the total order value.We reserve the right to deduct forfeited contractual penalties from current invoices or claims of the supplier and expressly reserve the corresponding right to offset.
The obligation to pay the aforementioned contractual penalties arises for the supplier upon the occurrence of default, without our written reminder being required. Assertion of the aforementioned contractual penalty by us and payment by the supplier does not release the supplier from his contractual obligations and the resulting liability.
5. In the event of default in delivery, we expressly reserve the right to assert further legal claims, including claims for damages, in addition to

the right to assert contractual penalties in accordance with § 6 Section 4 of these GTCP.

§7 Passing of Risk - Documents

1. Unless otherwise agreed in writing, delivery shall be made in accordance with DAP Incoterms 2010, destination: Herne, Germany, Baukauer Str. 55, including packaging, freight, postage, value assurance and transport insurance. The return of the packaging requires a special agreement.
2. The supplier is obliged to state our order number and order notes exactly on all shipping documents and delivery notes in accordance with § 5 Section 4 of these GTCP. If he fails to do so, delays in processing shall be unavoidable for which we shall not be liable.
3. We shall only be in default of acceptance if we are responsible for the non-acceptance of the delivery or service.

§8 Execution

1. Irrespective of the supplier's warranty obligation, we shall have the right to inspect production in the supplier's workshops at any time, to object to improper execution and to reject defective parts. We shall be entitled to carry out inspections in order to satisfy ourselves of the care and timely progress of the contractually owed work.
2. The supplier shall inform us of the time of completion in good time so that acceptance can be carried out in our presence. We have the right to carry out the trial run at our own discretion and to refuse acceptance in the event of violations of the manufacturing conditions. In the event of justified rejection of (parts of) the delivery, we shall be entitled to use the delivery free of charge until a suitable replacement has been created.
3. The delivery and service must be carried out in such a complete manner that reliable operation and/or function of the delivered parts is guaranteed. Only on the day of the final acceptance the contractual performance of the supplier - with the exception of the warranty - is deemed to have been fulfilled.

§9 Warranty

1. The supplier guarantees that every delivery item has all contractually warranted and customary product-specific characteristics. Furthermore, the supplier guarantees that every delivery item corresponds to the product-specific recognized rules of technology as well as the latest relevant laws, regulations of the authorities and the applicable safety requirements, occupational health and safety and accident prevention regulations. In addition, the supplier guarantees that the delivery item has been manufactured in compliance with the regulations of the fundamental regulations of the International Labour Organization (ILO):
 - 1) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
 - 2) Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
 - 3) Forced Labour Convention, 1930 (No. 29)
 - 4) Abolition of Forced Labour Convention, 1957 (No. 105)
 - 5) Minimum Age Convention, 1973 (No. 138)
 - 6) Worst Forms of Child Labour Convention, 1999 (No. 182)
 - 7) Equal Remuneration Convention, 1951 (No. 100)
 - 8) Discrimination (Employment and Occupation) Convention, 1958 (No. 111)and does not show any errors impairing its value or its suitability for the contractual purpose.

This applies accordingly to services, in particular also assemblies and maintenance. The supplier's warranty shall also cover the parts manufactured and services rendered by its subcontractors.
2. The supplier guarantees that the delivery item is free from material defects and defects of title.
3. We shall be entitled to the statutory warranty claims in full. Irrespective of this, we shall be entitled, at our discretion, to demand that the supplier remedies the defect or supplies a replacement if this occurs. In this case, the supplier shall be obliged to bear all expenses required for the purpose of remedying the defect or delivering a replacement. We expressly reserve the right to assert claims for damages.
4. The warranty period shall be 48 months, calculated from the complete fulfillment of all deliveries and services under the respective order.
5. The payment of the remuneration does not constitute confirmation that the goods are free of defects.

§10 Product Liability - Indemnity - Liability Insurance Cover

1. If the supplier is responsible for a product damage, he is obliged to indemnify us fully against claims for damages by third parties, including all lawyer's and court costs, upon first request, insofar as the cause lies within his sphere of control and organization and he himself is liable in the external relationship.
2. In this context, the supplier is also obliged to reimburse any expenses pursuant to §§ 683, 670 BGB (German Civil Code) arising from or in connection with a recall campaign carried out by us. We will inform the supplier - as far as possible and reasonable - of the content and scope of the recall measures to be carried out in order to give him the opportunity to comment.
3. The supplier undertakes to take out a product liability insurance policy with a sum insured of € 3 million per claim for personal injury/property

damage - as a lump sum - and to submit these to us at our first request. These insurance claims shall be assigned to us on account of performance. If we are legally entitled to further claims for damages, these shall remain unaffected.

§11 Industrial Property Rights

1. The supplier warrants that the contractual delivery or service and its use by us shall not infringe any rights of third parties, in particular territorial rights, design rights, trademark rights, patent rights and license rights. Furthermore, the supplier warrants that the delivery or the contractual use of the contractual deliveries and services will not violate existing boycott clauses, blacklists, etc.. The supplier must inform us immediately of any violation of the above rights or boycotts, blacklists, etc. discovered after conclusion of the contract.
2. The supplier shall be fully liable for all damages incurred by us or our customers due to breach of the aforementioned obligations. He shall support us or our customer in any judicial or extrajudicial proceedings initiated for this reason and shall bear the costs of these proceedings, including the costs of legal prosecution and/or defence.
3. If necessary, always at our discretion, we shall either be entitled to acquire, , the necessary permission for commissioning, use, resale etc. from the owner of the rights at supplier's expense or to withdraw from the contract.

§12 Reservation of Title, Intellectual Property, Provision of Materials & Tools, Secrecy and Access to Suppliers

1. If we provide parts to the supplier, we reserve the right of ownership (reserved goods). Processing or transformation by the supplier shall be carried out for us. If our reserved goods are processed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of our object to the other processed objects at the time of processing.
2. If the object provided by us is inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of the reserved object to the other mixed objects at the time of mixing. If the mixing is carried out in such a way that the supplier's item is to be regarded as the main item, it shall be deemed agreed that the supplier shall transfer co-ownership to us on a pro rata basis. The supplier shall keep the sole ownership or the co-ownership in safe custody for us.
3. We reserve title to tools provided by us to the supplier. The supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The supplier is obliged to insure the tools belonging to us at replacement value against fire, water and theft at his own expense. He shall be obliged to carry out any necessary maintenance and inspection work at his own expense in good time and, after completion of the work which is the subject of the contract, to return to us all tools and other documents and records handed over to him for the purpose of fulfillment of contractual performance free of charge. He shall notify us immediately of any malfunctions in tools and documents provided by us. If he culpably fails to do so, claims for damages shall remain unaffected.
4. The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information received by us and remaining our exclusive property strictly confidential and to always return it to us in accordance with § 12 Section 3 of these GTCP above. The temporary provision of the above-mentioned documents as well as of all of our protectable intellectual property, irrespective of the form of the provision, shall always be made exclusively for the purpose of supplier's fulfilment of the contractual services or performances by the supplier. For the purpose of the contractual provision of services, we shall grant the supplier a non-exclusive right of use to the tools and documents provided which shall be limited in time and freely revocable at any time. Any other use is strictly prohibited and shall always give rise to claims for damages on our part. The obligation to maintain secrecy shall also apply for a period of 25 years after completion of the contract.
5. The supplier irrevocably agrees, for an unlimited period of time and space, that, to the extent that new protectable rights should arise as a result of the implementation of the order in accordance with the order, these rights shall arise exclusively with us to the extent permitted by law or shall be transferred to us irrevocably, for an unlimited period of time and space at the time they arise.
6. Should an original creation of new rights with us be excluded in accordance with the aforementioned § 12 Section 5 of these GTCP, as a result of non-dispositive law, the parties agree that the rights are to be divided between the parties in accordance with the relevant provisions of German copyright law and the corresponding other applicable laws in accordance with their share in the creation. If this is the case, the supplier shall grant us an irrevocable, royalty-free, temporally and spatially unrestricted exclusive right of use to the rights thus created. The remuneration agreed in the order includes, according to the declared will of the supplier, an appropriate remuneration in accordance with § 32 UrhG (Urheberrechtsgesetz / German Copyright Law) and other relevant provisions.
7. We or third parties commissioned by us have unhindered access at any time to the operating and production workshops of our suppliers and their sub-suppliers for the assessment of the orders.

§13

Official Approvals

If the scope of delivery contains items whose arrangement and execution are subject to official approvals for which we have to submit documents together with the supplier, the supplier shall be obliged to do everything necessary to prepare the necessary documents.

§14

Place of Performance, Applicable Law and Jurisdiction

1. The place of performance shall be the registered office of our head office in 44653 Herne, Germany.
2. The place of jurisdiction for all disputes arising from commercial transactions with fully qualified merchants and legal entities under public law shall be Bochum for both parties (§38 ZPO / German Code of Civil Procedure).
3. German law shall apply to the exclusion of the CISG (UN Convention on Contracts for the International Sale of Goods).

§15

Other Provisions

1. Amendments or supplements to these GTCP must be made in writing. This shall also apply to the waiver of this requirement of written form or a deviation therefrom.
2. If individual provisions of these GTCP are or become invalid in whole or in part, the validity of the remaining provisions or remaining parts of such provisions shall not be affected thereby. The ineffective clauses or parts of the clauses shall be replaced by clauses which come closest to the intended economic purpose in a permissible manner.

3. By entering into the business relationship, the supplier consents to the collection and processing of supplier data in connection with the business relationship within the meaning of the data protection guideline of Adams Armaturen GmbH, as available at https://app.adams-armaturen.de/privacy_ad_en.pdf.
4. The supplier may only refer to the existing business relationship with us with our express written consent in advertising and information material.
5. In the event of discrepancies between the German and English versions of these GTCP, the provisions of the German version shall take precedence over the provisions of the English version.
6. We expressly reserve the right to change these GTCP at any time, in each case with effect from "ex nunc".

Version: November 2018