

1. Scope

- 1.1 The present General Terms and Conditions of Purchase shall apply to all – including future – orders of goods and services and their execution, even if they are not mentioned in later contracts. We shall not acknowledge terms and conditions of the Seller that conflict with or deviate from the present Terms and Conditions of Purchase, especially when accepting the order or in an order confirmation, unless these are expressly endorsed in writing. If we accept the goods without an explicit objection, this shall not, under any circumstances, imply that we have acknowledged the terms and conditions of the Seller.
- 1.2 Oral agreements by our employees shall only become binding when they are confirmed by us in writing.
- 1.3 The preparation of quotations shall be free-of-charge and shall be without obligation for us.
- 1.4 Documentation:
A single copy of delivery notes and packing slips must be enclosed with each shipment. These documents must contain:
- The order number
 - The quantity and unit of quantity
 - The product name with the product number
 - The remaining quantity in the case of part deliveries
 - The required documentation (e.g. factory certification, test reports, drawings, etc.)
 - The VAT ID number
- 1.5 The contractual language shall be German or English.

2. Quotation and conclusion of contracts

- 2.1 Orders, agreements and amendments shall only be binding if they have been placed or confirmed in writing by SZM GmbH. All correspondence must be exchanged with the Purchasing Department.
- 2.2 The orders submitted by SZM GmbH without an acceptance period may only be accepted by the Supplier within 14 days of the order date.
- 2.3 If the order confirmation from the Supplier differs from the order from SZM GmbH, a contract shall only come into force if SZM GmbH has been expressly advised of this deviation and has agreed to it in writing.

3. Payment

- 3.1 Invoices must be submitted immediately after the delivery or service has taken place, simply by post, by e-mail (buchhaltung@szm-gmbh.de) or with the shipment. Invoices for monthly deliveries and services must be issued no later than the 3rd working day of the

following month. Part invoices must be labelled as such. The invoice shall be settled, unless otherwise agreed, within 60 days of the date of the receipt of the invoice or, in the case of a payment within 30 days, with a 2 % early payment discount.

- 3.2 Payment and early discount periods shall commence from the receipt of the invoice, but not before the receipt of the goods or before the acceptance of services and not before any documentation, test certificates (e.g. factory certification) or similar documents that are included in the scope of the services are handed over to us in accordance with the contract. Delays that arise from incorrect or incomplete invoices or documentation shall not affect terms of maturity.
- 3.3 In the event of a payment by check or bank transfer, the payment shall be deemed to be on time if the check is sent by post on the due date or if the transfer was ordered at the bank on the due date.
- 3.4 Overdue payment interest cannot be demanded. The default interest rate shall be 5 percentage points above the base interest rate. In any event, we shall be entitled to provide evidence that the damages caused by the default are less than demanded by the Seller.
- 3.5 We shall be entitled to rights of set-off and rights of retention to the statutory extent.

4. Delivery periods/default in delivery/transfer of risk

- 4.1 The delivery dates agreed with us must be observed. Part deliveries shall only be permissible with our prior written consent. We must be informed immediately in writing of any anticipated delays in the delivery. At the same time, suitable countermeasures to avert the consequences must be proposed to us. Excess or short deliveries shall only be permitted within the scope of commercial practice.
- 4.2 The delivery period shall begin with the date of the legally binding order, unless otherwise agreed.
- 4.3 All the shipping documents, operating instructions and other certificates that form part of the performance of the delivery by the Seller must be sent to us on the date of dispatch. If any payment securities lapse as a result of delays in delivery on the part of the Seller, including the late consignment of the aforementioned documents, we shall only pay after the receipt of the payment from our customer.
- 4.4 If the Seller defaults in delivery, we shall be entitled to the statutory claims. We shall also be entitled to demand compensation instead of performance after the fruitless expiry of a reasonable grace period that has been set by us. Our entitlement to the delivery shall only be excluded when the Seller has paid compensation.
- 4.5 An early delivery without our consent shall not affect the term of payment that is linked to the planned delivery date.

- 4.6 If the fulfilment of our contractual obligations is made impossible or significantly more difficult for us in cases of force majeure, or in the event of strikes or lockouts, we can cancel the contract, in part or in full, or demand the execution at a later date, without entitling the Supplier to any claims against us as a result.
- 4.7 The Seller can only invoke the absence of necessary documents that are to be provided by us if it has not received the documents even after a written reminder.
- 4.8 The Seller shall bear the risk of accidental loss and accidental deterioration, including in the case of “carriage paid” and “free destination” deliveries, until the goods are handed over at the destination.
- 4.9 The Supplier affirms that the goods do not contain any substances that fall within the scope of the forbidden substances under the EC Directive 2011/65/EU (RoHS). The Supplier also affirms that the substances that are contained in the goods and their use(s) are either already registered or are not subject to a registration obligation in accordance with the Regulation (EC) No. 1907/2006 (REACH Regulation) and that, where necessary, an approval in accordance with the REACH Regulation is available. Where necessary, the Supplier shall also draw up the safety data sheet in accordance with Appendix II of the REACH Regulation and make it available to SZM GmbH. If goods are delivered that can be identified as hazardous goods in accordance with the international regulations, the Supplier shall inform SZM GmbH of this when the order is confirmed at the latest.
- 4.10 SZM GmbH shall retain title to substances, tools, materials and other items that are made available to the Supplier for the production process. Such items must be stored separately at the expense of the Supplier – as long as they are not processed – and insured against loss and destruction to the amount of the replacement value. Any processing, mixing or combining (further processing) by the Supplier of the items that have been made available to it shall be done for SZM GmbH. The same shall apply in the event of the further processing of the delivered goods by SZM GmbH, with the result that SZM GmbH is regarded as the manufacturer and shall acquire ownership of the product in accordance with the statutory provisions no later than the further processing.

5. Retention of title

- 5.1 With regard to the Seller’s rights to a retention of title, the latter’s terms and conditions shall apply subject to the proviso that the title to the goods is transferred to us upon payment for this item and the extended form of the so-called current account reservation shall not apply.
- 5.2 Due to the retention of title, the Seller may only demand the goods if it has withdrawn from the contract.

6. Declarations regarding the originating status

In the event that the Seller makes declarations regarding the originating status of the sold goods, the following shall apply:

- 6.1 The Seller undertakes to allow certificates of origin to be verified by the customs authorities and to both provide the necessary information for this and produce any necessary confirmations.
- 6.2 The Seller is obliged to provide compensation for the damage that arises as a result of the declared origin not being acknowledged by the competent authority due to incorrect certification or a lack of verification possibilities, unless it is not responsible for these consequences.

7. Liability for defects

- 7.1 The Seller must provide us with the goods and services free from material defects and defects of title.
- 7.2 The Seller shall ensure, at its expense and without delay, that all the documents required for the effectiveness of the order in the Seller's country, e.g. export approvals, are available and remain valid during the order processing. If the Seller does not comply with this obligation, the Buyer shall have the right to withdraw from the contract and to demand compensation from the Seller. The same shall apply in the event that necessary approvals, in spite of the efforts of the Seller, are not granted within a period that is reasonable for the Buyer or are annulled or become void during the order processing.
- 7.3 The Seller shall waive any objection due to a late notification of defects (Section 377 German Commercial Code).
- 7.4 If the goods or the service have a defect, we shall be entitled to the statutory rights at our discretion. The expenditure required for the purpose of supplementary performance shall also include the expenditure of our customer. The warranty period shall start to run again for repaired or replaced goods.
- 7.5 If claims are made against us with respect to the warranty in the event of a resale to third parties, the Seller shall indemnify us against any damages arising from these. The Seller also undertakes to treat a warranty claim that is directed against us by our customer as directed against it.
- 7.6 The limitation period for our claims for defects shall start with the delivery of the goods or the acceptance of the service. The liability of the Seller for defects shall end twelve months after the delivery of the goods for claims based on or in connection with the delivery of goods. Claims based on or in connection with the delivery of goods that are used for a construction, in accordance with their customary use, shall lapse five years after the delivery. In other respects, the statutory periods shall apply.
- 7.7 The Seller hereby assigns to us – on account of performance – all the claims to which it is entitled against its upstream suppliers on the basis of and in connection with the delivery of defective goods or services. It shall hand all the documents that are necessary for the assertion of such claims over to us.

- 7.8 In urgent cases, SZM GmbH shall be entitled to undertake the rectification itself or to have it executed by a third party. Costs incurred as a result of this shall be borne by the Seller.

8. Product liability and recall

In the event that claims are made against SZM GmbH on account of product liability, the Supplier is obliged to indemnify SZM GmbH against such claims if and insofar as the damage was caused by a defect in the contractual item delivered by the Seller. In cases of fault-based liability, this shall only apply if the Seller is at fault. If the cause of the damage is the responsibility of the Seller, the latter shall bear the burden of proof in this respect. In such cases, the Seller shall assume all the costs and expenses, including the costs of any prosecution and product recalls. In other respects, the statutory provisions shall apply.

9. Infringement of the property rights of third parties

The Supplier shall be liable for ensuring that no patent or property rights of third parties are infringed in connection with its delivery/service and shall indemnify SZM GmbH against claims of third parties on this account when first requested to do so. The Supplier shall reimburse SZM GmbH for necessary expenditure and damages that SZM GmbH incurs as a result of the claims by the third party or in connection with these. Irrespective of this, SZM GmbH shall be entitled to conclude agreements with third parties, even without the consent of the Supplier, particularly concluding settlements regarding the alleged infringement of property rights.

10. Protection of commercial rights and know-how

- 10.1 Models, samples, drawings, software, documentation and other documents, as well as materials, tools, production and testing equipment and know-how that are provided to the Supplier by SZM GmbH shall remain the property and legal responsibility of SZM GmbH alone. They must be treated as confidential and may only be passed on to third parties, who shall be bound by the same confidentiality obligation, with the express written consent of SZM GmbH.
- 10.2 The items, information and documents referred to in 10.1 must be returned to SZM GmbH unsolicited when the contractual service has been performed or the Supplier no longer requires them for the continued fulfilment of the contract. Any other disposal, in fact or in law, and/or direct or indirect utilisation by the Supplier or third parties shall not be permitted.
- 10.3 In the event of research, development, design, engineering and other contracts which involve the development of a solution to a technical problem, only SZM GmbH shall be entitled to property rights that are to be applied for, have been applied for or have been granted for inventions which the Supplier has achieved during the fulfilment of the contract. The same shall apply to new technical know-how that does not correspond to the generally accepted state-of-the-art. The Supplier shall claim inventions of its employees at the request of SZM GmbH. The Supplier undertakes to inform SZM GmbH of the employee invention and the technical know-how in writing within 6 weeks. The costs according to the German Employee Invention Act shall be borne by SZM GmbH.

11. Place of performance, place of jurisdiction and applicable law, miscellaneous provisions

- 11.1 If a provision of the present Terms and Conditions of Purchase is or becomes invalid, the remaining provisions shall remain valid.
- 11.2 Only German law shall apply to the contractual relationship between the Seller and SZM GmbH, unless otherwise agreed in writing, even if the Seller has its registered place of business in another country.
- 11.3 If the Seller is a merchant in terms of commercial law, Bad Muskau shall be the place of performance for all the obligations arising from the business relationship.
- 11.4 If the Seller is a merchant in terms of the German Commercial Code, a legal entity under public law or a public law special fund, the court for Bad Muskau shall be responsible for all disputes arising directly or indirectly from the contractual relationship. This shall also apply to disputes regarding the validity of contracts that have been concluded. Sentences 1 and 2 shall apply accordingly if the Supplier has its registered place of business in another country or if the Supplier moves its registered place of business or habitual place of residence to another country after the conclusion of the contract or if its registered place of business or habitual place of residence is unknown at the time of the action being filed.