

## **General Terms and Conditions of Purchase of the Krone Group**

### **I. Scope of Application**

1. The following Terms and Conditions of the Purchaser shall apply for all contracts concluded between the Purchaser and the Seller for the sale of goods. These Terms and Conditions shall also apply for all future business transactions even in the case that such are not again expressly agreed upon. Deviating terms and conditions of the Seller not expressly recognised by the Purchaser shall not be binding on the Purchaser even in the case that the Purchaser does not expressly object thereto. The Terms and Conditions of the Purchaser shall also apply if the Purchaser accepts the delivery of goods of the Seller without reservation and with knowledge of terms which conflict or deviate from its own terms.
  
2. All agreements between the Purchaser and the Seller in connection with purchase contracts are stipulated in writing in the respective purchase contract, these Terms and Conditions and the particulars stated by the Purchaser.

### **II. Offer and Conclusion of the Contract**

1. The Purchaser shall be bound to the purchase contract offer (order) for two weeks. The Seller can accept the offer by written declaration to the Purchaser only within these two weeks.
  
2. Drawings, plans and other documents which relate to the order shall remain the property of the Purchaser. The Purchaser reserves all copyrights to these documents. Should the Seller not accept the Purchaser's offer within the time period stipulated pursuant to Paragraph 2, No. 1 hereof, these documents shall be returned to the Purchaser without undue delay.

### **III. Payments**

1. The price set forth in the Purchaser's order is binding and includes free delivery insofar as not otherwise agreed by the parties in writing. Packaging costs are included in the price. The price is understood to be exclusive of the

respectively applicable statutory value added tax. All of the Seller's invoices must designate the respective order number stated by the Purchaser.

2. Insofar as no deviating written agreement is made with the Seller, the Purchaser shall make payment within 21 business days, calculated as of the delivery of the goods by the Seller and receipt of the invoice, with 3 % discount or within 60 days net.
3. The Purchaser shall be entitled to fully claim any and all statutory set-off and retention rights. The Purchaser shall be entitled to assign all claims from the purchase contract without the consent of the Seller. The Seller shall not be entitled to assign accounts receivable from the contract relationship to third parties without the prior written consent of the Purchaser.

#### **IV. Delivery Date**

1. The fixed delivery period or the stated delivery date stipulated by the Purchaser in the order shall be binding for the Seller.
2. The Purchaser shall be entitled to make statutory claims in the event of the Seller's default. If the Purchaser makes a claim for damages, the Seller shall be entitled to prove that it was not responsible for the violation of the contract obligation.

#### **V. Warranty/Liability**

1. Within a reasonable period after delivery by the Seller, the Purchaser shall be obligated to inspect the goods with regard to deviations of quality and amount. Objections concerning apparent defects shall be deemed to be timely made if dispatched by the Purchaser within five business days after the delivery of the goods and such is received thereafter by the Seller; objections concerning latent defects shall be deemed to be timely made if dispatched by the Purchaser within five business days after their discovery and such is received thereafter by the Seller.

2. The Purchaser is entitled to warranty claims against the Seller as prescribed by law and the Seller shall be liable to the Purchaser within the scope prescribed by law. In cases of a risk of default or in the case of extreme urgent need, the Purchaser shall be entitled to undertake remedy of the defect itself at the cost of the Seller.

#### **VI. Liability of the Seller/Insurance Protection**

1. Should a claim for damages by third parties be made against the Purchaser due to damage to a product for which the Seller is responsible, the Seller shall indemnify the Purchaser upon first demand against all claims of third parties including the necessary costs to defend these claims if the Seller produced the cause for the damage within its area of control and organisation.
2. Should the Purchaser be required to undertake a recall action due to a claim for damages within the meaning of Section VI, no. 1 hereof, the Seller shall be obligated to reimburse the Purchaser all expenses which result from or in connection with the recall action performed by it. Insofar as possible and reasonable in terms of time for it, the Purchaser shall inform the Seller with regard to the content and the scope of the recall action and give it the opportunity to comment. Additional claims of the Purchaser permitted by law shall remain unaffected herefrom.
3. The Seller shall be obligated to conclude product liability insurance with a coverage amount deemed reasonable for the goods to insure against personal/property damage and to also maintain such. Additional claims of the Purchaser permitted by law shall remain unaffected herefrom.
4. Should a claim be made against the Purchaser by a third party due to the fact that the delivery of the Seller infringes a statutory industrial property right of a third party, the Seller shall be obligated to indemnify the Purchaser upon first demand against these claims, including all necessary expenses which the Purchaser shall incur in connection with the claim by the third party and the defence thereof. The Purchaser shall not be entitled to recognise and/or to conclude agreements with third parties with regard to

these claims without the written consent of the Seller. The statute of limitations period for these indemnification claims shall be three years, calculated as of knowledge of the Purchaser of the claim against it by the third party but, however, at the latest, ten years after the delivery of the goods.

#### **VII. Confidentiality/Reservation of Ownership Title**

All parts and documents received from the Purchaser shall remain the Purchaser's property. The Seller may only use and/or transfer or allow access hereto to third parties with the written consent of the Purchaser. After performance of the respective contract, the Seller shall return these to the Purchaser at its own cost and without undue delay.

#### **VIII. Jurisdiction/Place of Performance/Applicable Law**

1. Place of performance and exclusive jurisdiction for deliveries and payments (including summary actions based on checks) as well as all disputes resulting between the Seller and the Purchaser from contracts concluded between them is Rheine/Westphalia, insofar as the Seller is a merchant within the meaning of the German Commercial Code.
2. The relationships between the contract parties shall be regulated exclusively pursuant to the law applicable in the Federal Republic of Germany.

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