

GENERAL TERMS AND CONDITIONS OF PURCHASE

Section 1 GENERAL

- (1) Our terms and conditions of purchase apply exclusively. We do not recognise any conflicting or deviating conditions of the supplier, unless we have expressly agreed that they shall apply. Our terms and conditions of purchase shall also apply in the event that we accept the delivery without reservation, in knowledge of conflicting or deviating terms and conditions of the supplier.
- (2) These terms and conditions of purchase also apply to all future transactions with the supplier.

Section 2 PAYMENT

- (1) The price stated in the purchase order is binding and includes all the goods and services to be provided by the supplier.
- (2) Invoices must be sent to us by post or by email to rechnung@karl-georg.de with full details from the purchase order, once delivery or performance is complete.
- (3) Unless otherwise agreed, payment shall be made within 14 days of the invoice date with a 2% discount or within 30 days net. Whether the payment is on time shall be determined by the date that the bank transfer is initiated. The payment period shall not commence before performance in full.
- (4) Payment shall not constitute acknowledgement that the delivery or service has been performed correctly and shall not constitute a waiver of any claims that have arisen.
- (5) We reserve the right to assert rights of set-off and retention.

Section 3 DELIVERY PERIOD AND CONTRACTUAL PENALTY

- (1) The deadlines specified in the purchase order must be strictly complied with.
- (2) The supplier must inform Karl Georg promptly if circumstances arise or become known to the supplier which mean that the agreed delivery period cannot be complied with.
- (3) If the supplier is in default of performance, the supplier undertakes, depending on the agreement in the purchase order, to pay a contractual penalty of 0.5% per week or part thereof, up to a maximum of 5% of the value of the goods. We reserve the right to assert claims for greater loss or damage.

Section 4 WARRANTY

- (1) The supplier guarantees that the performance is free of defects for a period of two years. If a defect is identified within the warranty period, the supplier shall, at its option, either remedy the defect or deliver a defect-free product. The warranty period shall restart from the beginning after the defect has been remedied.
- (2) Karl Georg shall be entitled to notify the supplier of any visible defects within three weeks of receipt of the goods.

Section 5 PRODUCT LIABILITY

- (1) The supplier undertakes to maintain a business liability insurance policy, extended to include cover for product liability (product liability model), as well as a recall insurance policy, with a sum insured of at least EUR 2.5 million each for property damage and personal injury and EUR 5 million for serial claims. The recall insurance must be taken out with a sum insured of at least EUR 2.5 million.
- (2) In the event that a claim is made against Karl Georg by a customer or other third party on the basis of product or producer liability, the supplier must indemnify Karl Georg against such claims on first demand, insofar as and to the extent that the damage or loss has been caused by a defect in the product delivered by the supplier. In cases of strict liability, this shall apply if the supplier is at fault. However, if the cause of the damage is the supplier's responsibility, the supplier shall bear the burden of proof in this regard.
- (3) Under this framework, the supplier shall also be obliged to reimburse any expenses arising from or in connection with a recall campaign. Karl Georg shall be entitled to carry out any necessary recall campaigns at its own discretion and shall inform the supplier accordingly.

Section 6 DRAWINGS & CONFIDENTIALITY

- (1) Karl Georg reserves the property rights and copyrights in illustrations, drawings, calculations and other documents; such documents may not be disclosed to third parties without express written consent. They must be used exclusively for production for the purchase order.
- (2) The supplier must keep all illustrations, drawings, calculations and other documents that it receives strictly confidential. They may only be disclosed to third parties with the express consent of Karl Georg. The obligation to maintain confidentiality shall continue to apply after this contract has been completed.

Section 7 DOCUMENTS & LANGUAGE OF CONTRACT

- (1) The language of contract is German or English, depending on the party.
- (2) At the time of delivery, the supplier must provide Karl Georg with all the necessary operating instructions, test certificates and other documentation in German or English.

Section 8 PLACE OF PERFORMANCE, APPLICABLE LAW & PLACE OF JURISDICTION

- (1) Place of performance is Ingelbach-Bahnhof, Germany.
- (2) German law shall apply to all disputes arising from this contractual relationship, excluding private international law and the UN Convention on Contracts for the International Sale of Goods.
- (3) The place of jurisdiction for all disputes arising from this contractual relationship is Altenkirchen (Westerwald).