

1 Scope of validity

All deliveries and services of the supplier (hereinafter referred to as the "supplier") to Saxlund International GmbH, Heidberg 1,4+5, D-29614 Soltau as the customer (hereinafter referred to as the "customer") are subject exclusively to these purchasing conditions. Additionally, it is possible that deviating conditions may be applied or agreed in individual cases. Contrary or deviating conditions of the supplier are only valid where expressly agreed to by the customer in writing (fax, email or letter).

All agreements between the supplier and customer for the purpose of realising the contract or the order (referred to hereinafter as the "contract" or "order") shall be recorded in writing. Verbal agreements must be recorded in writing and confirmed by the customer before or upon contractual conclusion in order to take effect.

Orders, as well as their supplements and amendments, are only legally binding if implemented in writing - also by fax or email. The exchange of correspondence must take place with the purchasing department placing the order. Agreements with other departments must be expressly confirmed in writing by the purchasing department placing the order to become binding.

1.1 Order acceptance/order confirmation

The order contains legal acceptance of a concrete quotation provided by the supplier. The contract comes into effect with receipt of the order by the supplier. The supplier is required to confirm the order within one week.

2 Scope of deliveries and services

The supplier shall be informed by the customer as to whether, and furthermore to what extent, the goods to be delivered by the supplier are to be installed in other goods/products, thereby becoming part of a whole product, as well as the intended use of the newly manufactured product. The supplier is obligated, without additional remuneration, to undertake all work, measures and outlays required for the correct, professional and qualitatively faultless production of the goods, machinery and/or services to be supplied by him in accordance with the regulations and provisions applicable, and according to the intended use. This also applies if the cost estimate, order, sketches or other documents contain only partial descriptions, inaccurate descriptions or remarks regarding the goods, machinery and/or services to be supplied.

If, during the course of order processing, significant changes to the services to be delivered should become necessary or expedient with a consequence that the costs increase, the additional services of the supplier shall be offered according to the same conditions and price basis as those in the main contract. Before works/deliveries resulting from the changes are performed or implemented, an order supplement must be provided by the customer in writing.

3 Technical regulations, safety and environmental regulations

3.1 General

When producing the machinery per the order, the supplier is required to comply with the legal regulations (destination country/federal state) and the official ordinances applicable at the destination. If the customer has not informed the supplier of the destination, the supplier is required to comply with the provisions of German law.

3.2 Environmental protection

The supplier is required to observe the legal regulations (destination country/federal state) and the official ordinances at the destination in terms of environmental protection, in particular with regards to hazardous substances, dust emissions and noise.

3.3 Physical data

Unless otherwise stated in the order, the design shall be subject to the national or European standard, and all indicator devices, meters, measuring instruments and drawing data must comply with the metric system.

4 Technical documentation

The supplier is obligated to supply the complete technical documentation in accordance with the order and law, by the respective stipulated deadline. The supplier is required to inform the customer of the bought-in parts manufacturers. The documentation must be complete and any sectional and exploded drawings must be included. Spare parts must be clearly and comprehensively defined.

If a delay on the part of the supplier in providing the contractually stipulated technical documentation should result in a delay to the delivery, assembly and/or commissioning, as well as the acceptance of the complete system, the supplier shall be required to reimburse the customer for any damages that arise as a result of this, such as penalties imposed by the end customer. The supplier has only fulfilled his delivery obligations once the technical documentation is also complete and correct. Until then, the

customer is entitled to refrain from paying any outstanding payments or retain a corresponding portion of the invoice value.

Unless otherwise agreed, it is deemed to have been agreed that the required drawings, test certificates and other documents shall be sent to our office address - PURCHASING department - no later than with the invoice. Otherwise the invoice payment shall not fall due.

5 Delivery and performance deadlines/delay/penalties

5.1 Deadlines

The agreed deadlines for the documentation and delivery of the goods/machinery and equipment, as well as all remaining services, can be found in the order or the associated annexes. The delivery deadlines in the order are binding.

The delivery has taken place on time if the delivery objects are available at the agreed delivery address on the agreed delivery date, according to the agreed quality. Premature deliveries or part deliveries may only take place with the written permission of the customer. Otherwise the customer is entitled to refuse acceptance of the delivery, or charge the supplier for any additional costs (e.g. storage costs) that arise as a result of this. The same applies with visible defects.

5.2 Deadline changes

The customer is entitled - in the interest of overall planning - to demand occasional suspension and/or occasional acceleration of individual services or complete services within the framework of the overall time plan, if this is reasonable for the supplier. If these measures should result in costs amounting to over 10% of the overall net order value (for example due to longer storage times with the supplier), the supplier is entitled to adjust the price on the basis of the calculation of the main order. The supplier must present his calculations to the customer upon request.

5.3 Delivery delay

The supplier is obligated to inform the customer in writing without delay, if circumstances arise or become apparent to him, which indicate that the agreed delivery deadline cannot be observed.

In the event of a delivery delay, the customer is entitled to avail of his statutory rights.

If the supplier should fall behind the contractually agreed delivery deadlines, the customer is entitled to demand payment of the following penalties:

5.4 Penalties for delayed delivery of technical documentation

For the delayed delivery of the stipulated technical documentation, the supplier shall pay 1% of the total net order value per delay week commenced, although no more than 5% of the total net order value.

5.5 Penalties for goods/machinery/systems and services

For the delayed delivery of goods/machinery and equipment, as well as the delayed provision of services, the supplier shall pay 1.5% of the total net order value per delay week commenced, although no more than 5% of the total net order value. Claims for compensation on the part of the customer remain unaffected. However, any contract penalty already paid shall be offset against compensation for damages.

The following applies to point 5.4 and 5.5:

When accepting the delayed delivery/service, the penalties can be invoked until payment of the invoice/final invoice that follows the delayed delivery/service. The penalties from points 5.4 and 5.5 together must not exceed a maximum 10% of the total net order value. Penalty claims are limited to this maximum amount.

The customer reserves the right to claim for greater damages caused by delays where these actually arise. If the supplier shifts the delivery deadline then the customer can demand penalties, even if he has not objected to the shift in deadline. Any contract penalty paid shall be offset against damage compensation claims.

5.6 Withdrawal/compensation for damages

The legal provisions shall apply to withdrawal and compensation for damages.

If alternative procurement of goods/machinery and equipment is only possible on the basis of the supplier's workshop drawings then he is obligated to provide these free of charge. If the supplier possesses industrial rights to the goods/machinery and equipment, he is obligated to tolerate reproduction for replacement procurement.

6 Force majeure

Events of force majeure (such as natural disasters, strikes, lock-outs, war, embargoes) shall only be recognised if they have a demonstrable direct effect on fulfilment of the contract by the supplier. They can only be registered with the customer on condition that the contracting partner has been informed of both the beginning and probable end of the force majeure event within three days of its onset in writing. Decisive is the date on which the notification is sent. Corresponding confirmation by the chamber of industry and commerce, stating that an event of force majeure actually exists, must be attached.

If an event of force majeure arises, the customer is entitled to demand delivery at a later point in time, without the supplier having any entitlements as a result of this.

If an event of force majeure should last for more than three months or lead to an enduring inability on the part of the supplier to meet with his performance obligations then the customer is entitled to withdraw in whole or in part from the contract with the statutory consequences.

7 Production monitoring/quality assurance

The customer reserves the right to assess the production progress in the workshops of the supplier or his sub-suppliers at any time. In particular, the site or factory premises may be accessed for this purpose. This also applies explicitly to the customer's end customer. The customer must inform the supplier of his end customer in this case. The supplier must agree to a common date for testing.

Any defects detected during testing must be remedied. Any costs arising in this regard shall be borne by the supplier.

The supplier is obligated to test the manufactured goods/machinery and equipment in accordance with the technical conditions of this order, the agreed quality guidelines and the valid legal provisions and - insofar as possible - subject these to trial operation. The customer and end buyer are entitled to participate in these tests. To this end, the supplier shall inform the customer of the start of testing 14 days in advance.

Containers, apparatus and pipes that operate under pressure must be checked and tested by the inspection bodies responsible for this at the place of manufacture, at the cost of the supplier, and must comply with the European and/or German provisions, as well as other regulations where contractually agreed.

Certificates issued by these bodies shall be presented to the customer immediately and become part of the technical documentation.

If defects are discovered during testing, or the goods/machinery and equipment manufactured should fail to satisfy the order conditions, the supplier is obligated to remedy any such defects at his own cost with immediate effect, without this resulting in any right on his part to an extension of the delivery deadlines cited in the order. The goods/machinery and equipment must then be tested again.

The tests do not constitute acceptance of the goods/machinery and equipment, and do not influence the liability for defects of the supplier in any way, irrespective of the presence of the customer or the end buyer at the time of these tests.

8 Transfer of risk/acceptance

Unless otherwise agreed in writing, the delivery shall take place DAP to the destination specified in the order, per the Incoterms applicable at the time of contractual conclusion. The supplier bears the risk of damage until the goods have been accepted by the customer or his representative at the place specified as the destination for the delivery object in the order. Implicit / silent acceptance is excluded.

9 Liability for defects/performance guarantee

9.1 Scope of liability for defects

The legal provisions shall fundamentally apply to the customer's warranty rights in case of material defects. The place of warranty fulfilment in case of material defects, e.g. with measures such as repairs, is the location of the machinery/the place of performance.

The design and material of the goods/machinery or equipment must reflect the latest engineering practice at the time of contractual conclusion and must exhibit the agreed characteristics at the time of the transfer of risk. All deliveries and services must comply with the required technical standards and provisions, as well as the latest safety and environmental regulations.

The supplier provides a quality guarantee for compliance with the machinery and system parameters cited in the order or the contract documents.

9.2 Goods acceptance/notification of defects

Acceptance takes place subject to the inspection for freedom from defects. The inspection and any objection to the goods/machinery or equipment supplied takes place as soon as defects are detected according to the conditions of our normal course of business, or where applicable with part acceptances or with final acceptance. The supplier therefore renounces objection to delayed notification of defects to this extent (§377 HGB). Notification of defects is submitted in good time if it is received by the supplier within a period of 30 working days of receipt of the goods, or in case of a delayed notification of defects from the time of discovery.

9.3 Limitation period for material defect claims

Material defect claims become time-barred after 24 months, calculated from the acceptance of the goods/machinery or equipment or from acceptance of the services provided, unless the delivery object has been used for a structure in accordance with its conventional use, and has caused the defectiveness of the same.

Further to this, all claims of the customer against the supplier - in particular claims for compensation - and their limitation period shall be determined according to the legal regulations.

Any parts of the delivery that are serviced or repaired during the limitation period for material defect claims on the part of the customer shall be subject to a new limitation period, which shall commence at the time at which the supplier has fully satisfied the claims of the customer for subsequent performance.

9.4 Rectification of defects

The statutory material defect claims are available to the customer in full. In all cases, the customer has the right to demand the rectification of defects or delivery of a new product at his discretion. The right to subsequent performance is subject to §439 BGB. The customer expressly reserves the right to compensation for damages, and in particular the right to compensation in place of performance.

The rectification of defects or replacement of unfit parts by the supplier free of charge, within the framework of this obligation to rectify defects, includes acceptance of all costs for material, freight, packaging, customs duties, disassembly and assembly, auxiliary assembly personal, travel costs, expenses etc. by the supplier.

The defective parts originally supplied, which are replaced with new parts within the framework of defect rectification, shall be available to the supplier following their replacement.

Any costs that arise due to requested return deliveries of incorrect or defective parts shall be borne by the supplier.

Small parts, the rectification of which results in no delay and requires no participation by the supplier, shall be repaired by the customer himself or by a third party commissioned by the customer, and the costs shall be billed to the supplier at the standard market rates; the same applies if the supplier consents to the customer's fitters rectifying the defects.

The customer has the right to perform the necessary measures for rectifying a defect himself at the cost of the supplier, or commission a third party with this, if the supplier does not respond to a notification of defects issued by the customer within 2 working days, or does not commence with defect rectification within 5 working days of receipt of such notification. In such cases, the customer's standard assembly rates shall apply.

The same applies in urgent cases, in which it is not possible to wait for rectification by the supplier in order to avoid a risk of disproportionately high damages, if the supplier has been informed of the defect. The customer's performance of defect rectification measures does not affect the liability of the supplier for material defects.

10 Product liability

Insofar as the supplier is responsible for product damage, he is obligated to release the customer from the claims for compensation of third parties at the first request, whereby the cause falls under the domain and organisational area of the supplier and he is liable in external relations.

Within the framework of the supplier's liability for damages in accordance with the contents of the first paragraph of product liability, the supplier is obligated to reimburse the customer for any costs that arise due to or in conjunction with a recall action implemented by the customer. The customer shall inform the supplier of the contents and scope of the recall measures - insofar as this is possible and feasible - and allow him to respond. Further legal claims remain unaffected.

The supplier undertakes to take out extended product liability insurance with a - flat rate - sum insured of at least EUR 9 million per personal injury/property damage incident; if the customer is entitled to further claims for compensation then these remain unaffected. The supplier is required to present confirmation of his insurance policy to the customer immediately on request.

11 Price/payment

Unless otherwise agreed, the prices stipulated in the order are binding fixed prices and include delivery DAP to the destination specified in the order, per the conditions of the Incoterms applicable at the time of contractual conclusion. They include the complete scope of delivery and performance. The agreed hourly rates and flat-rate ancillary costs shall remain unchanged until final contractual fulfilment.

11.1 Value Added Tax

The rate of VAT applicable at the time of order placement/contractual conclusion applies. This is not included in the price.

11.2 Price changes

All price changes require renewed written agreement. The consideration owed by the customer shall not fall payable until all deliveries/services have been accepted in full, the invoices have been received by the customer and the supplier has fulfilled all ancillary obligations, although not before the agreed deadline.

11.3 Invoicing

Invoices shall be submitted to the customer in duplicate. With the exception of customs goods, these must never be enclosed with the goods. In the case of customs goods, an original copy of the invoice must be enclosed with the goods and accompanying documents; in addition, two original invoices must be sent to the customer by post. The invoice must contain the order number and project number of the customer, and all invoice data must be listed by item, in accordance with the customer's order. Deviating invoices shall not be posted, and shall be returned to the supplier. The supplier is responsible for all consequences that arise due to a failure to comply with this obligation, unless he proves he is not culpable.

11.4 Payment conditions

The agreed payment conditions can be found on the customer's order. If no payment conditions have been agreed, the following applies:

Invoice amounts shall be settled by the customer, subject to checking, as follows

- Within 14 days of the due date with a 3 % early payment discount or
- Within 60 days without deductions

The payment term commences with receipt of the invoice and acceptance by the customer.

11.5 Assignment of accounts receivable

The supplier is not permitted to transfer his receivables owed by the customer as a result of this order to a third party without the customer's consent.

11.6 Currency

The contracting parties are in agreement that the payment obligations regulated in this contract, in particular the stipulated monetary values, are agreed in EUR (unless otherwise specified in writing).

12 Delivery terms/shipping/transport/packaging

12.1 Delivery terms

The supplier's deliveries shall take place DAP to the destination specified in the order, unless otherwise agreed. All trade terms are subject to the latest version of the Incoterms applicable at the time of contractual conclusion.

In case of deviating agreed delivery terms EXW, in deviation from the Incoterms, the scope of performance and the price of the supplier shall include loading the goods on the HGV, unless expressly agreed otherwise in writing.

12.2 Delivery address

If no alternative delivery address is specified on the order or explicitly agreed, the delivery shall be sent to the following address:

Saxlund International GmbH
Heidberg 4
29614 Soltau-Harber
GERMANY

12.3 Deliveries/part deliveries

Part deliveries are not permitted unless a separate agreement has been concluded in the order, or the customer has agreed to this in advance in writing to the supplier.

12.4 Shipping papers

All shipments must contain a delivery note and package list. The delivery note must be externally secured to the package. If special forms are to be used for the scope of the delivery or service then the customer shall make these available to the supplier in file format.

All shipping papers, as well as all items of correspondence associated with the delivery contract, must bear the article designation, the customer's article number, the document and SAX no. of the customer (if the supplier has been informed of these), the item number of the order, the order date, the quantity and type of packaging. The supplier shall be liable for the consequences of incorrect consignment note declarations.

12.5 Shipping instructions

The customer's shipping department must be furnished with a package list/readiness for delivery notification in writing no later than two weeks prior to the agreed delivery date. This must contain the following information:

- Gross weight
- Net weight
- Complete dimensions (transport dimensions)
- Detailed goods description, i.e. pre-assembled parts, small parts and parts enclosed loose with the delivery must be listed in detail
- Number of packages
- Type of packaging
- Customs tariff number

12.6 Load dimensions

If load dimensions are exceeded, whereby the load dimensions of a HGV are exceeded, the customer must be furnished with load sketches with precise weight data two months before intended loading. Any damages and losses arising due to a failure to observe this specification shall be borne by the supplier.

12.7 Transport means/transport insurance

Unless otherwise agreed, transport insurance for door to door transport shall be taken out and paid for by the supplier.

12.8 Packaging

In case of deviating agreed delivery terms EXW, the customary packaging for HGV transport shall be included in the scope of performance and price of the supplier, unless expressly agreed otherwise in writing.

If the supplier should use wood as a pre-packaging material (e.g. pallets, square timbers, boards, boxes, etc.) then this pre-packaging material must comply with the IPPC standard ISPM 15, or material must be used that is not covered by these provisions.

Unless a special type of packaging is selected in the order, the supplier must choose an economical and expedient type of packaging. He must also observe the applicable contractual and statutory provisions, in particular the HPE packaging provisions.

12.9 Packaging small parts/sensitive parts

Small parts and particularly sensitive parts must be packaged in boxes. All non-bare parts must be coated with a protective coating, unless they receive a paint finish. Bare parts must be treated with a preservative, so that sufficient protection is provided for durability of at least one year from the time of delivery. All electrical equipment must be packaged watertight.

12.10 Returning packaging

If the supplier requires that packaging be returned then this must be separately stipulated in writing. The risk and cost of returns shall be borne by the supplier in this case.

12.11 Marking

The supplier is obligated to mark the part weight in a suitable location on all parts. From 100 kg, the weight must be attached to the part in waterproof, shrink-wrapped, DIN A4 format, using suitable fastening materials (e.g. cable ties) and such that this is highly visible.

Furthermore, the internationally standard, necessary hazard/handling symbols (e.g. centre of gravity, lifting points, etc.) must be marked.

13 Rights of third parties

The supplier shall be liable for ensuring that the rights of third parties, e.g. patent, licence or other industrial property rights, are not infringed as a result of his delivery and in particular any goods/machinery and equipment supplied by him. This also applies in the country of the end customer, if this is known to the supplier.

If the customer is subject to action by a third party due to an infringement of industrial rights, the supplier is obligated to release the customer from all claims raised against the customer by the third party on the basis of legal provisions at the first time of written request.

The obligation of the supplier to release the customer pertains to all costs and outlays that the customer incurs or that arise in conjunction with the claim by a third party. This only applies to claims due to legal provisions abroad if the supplier is aware of the final destination country applicable to the goods/machinery and equipment supplied by him.

The limitation period for such claims is ten years, starting with receipt of the delivery object.

14 Insurance/liability

The supplier assures the customer that he has sufficient insurance cover for his deliveries and services in relation to transport, assembly, accident, operation and environmental liability risks.

The employees of the supplier possess sufficient specialist qualifications. The supplier shall be liable without limitation for the damages caused by his employees, regardless of the matter.

15 Confidentiality

The supplier is obligated to treat as strictly confidential all commercial and technical information, and documents of a physical and non-physical nature - also including images, drawings, plans, samples, models, dies, matrices or calculations - that he is given access to, irrespective of whether these are made available by the customer for the execution of an order, or whether the supplier produces these or has them produced according to the customer's specifications.

These must not be made accessible, divulged, transferred or passed on to third parties without the express permission of the customer. These documents remain the exclusive property of the customer and may only be used or exploited for production per the customer's order, and not for any other purposes, in particular for the production of goods for third parties, or for providing services to third parties. Their duplication and commercial use are only permitted with the prior written permission of the customer.

This confidentiality declaration also applies once the order is complete and comes to an end only once the knowledge contained within these documents and information items has been demonstrably made publicly and generally available.

On request by the customer, all commercial and technical documents originating from the customer must be returned. Insofar as the supplier has saved these documents in electronic form, these files must be deleted and their deletion must be proven to the customer.

The customer reserves the right to all commercial and technical information and documents generated through the customer - in particular proprietary rights and copyrights.

The supplier is not permitted to use products himself, or offer or supply these to third parties, where such products have been manufactured in accordance with the commercial or technical documentation, information or data of the customer, or with his tools or with tools reproduced per the same.

The supplier undertakes to handle the orders and contracts of the customer, and all associated commercial and technical details, as trade secrets.

In case of an infringement of this confidentiality obligation per this clause 15, the supplier shall be subject to a contract penalty amounting to 1% of the net order value per infringement. Claims for compensation on the part of the customer remain unaffected. However, any contract penalty already paid shall be offset against compensation for damages.

16 Withdrawal/cancellation

If, after contractual conclusion, the customer becomes aware that the supplier is experiencing financial difficulties or that his financial standing has deteriorated, whereby this demonstrably endangers the customer's right to performance, then he is entitled to demand security after an appropriate notice period, and in case of doubt to withdraw from the unfulfilled part of the contract whilst offsetting any payments that he has already made. This also applies if insolvency or settlement proceedings commence against the assets of the supplier, and in the case of a suspension of payments (also where this is only temporary).

The customer is also entitled to withdraw from the contract after an appropriate notice period passes without success, if the supplier fails to meet with his due delivery obligations, or no longer does so according to the contract. This also applies if only partial performance obligations, such as a part delivery, are affected. The performance obligations of the supplier also include in particular compliance with the confidentiality obligation in accordance with the confidentiality clause.

The dispensability of the notice period is subject to § 323 section 2 BGB. Any existing claims for compensation remain unaffected. Any payments already received from the customer must be repaid to the customer with interest at 5 % above the valid base interest rate.

The customer is entitled to terminate the contract if the contract between the customer and the end customer is rescinded or cancelled in any other way, or if the end customer does not meet with his payment obligations. In this case, the customer is required to reimburse the supplier for all verified costs and expenditures incurred up to this point. Further claims by the supplier are excluded.

17 Supplier's sub-suppliers

The supplier is not entitled to transfer the contract in whole or part to a third party without written permission by the customer. Permission does not relieve the supplier of the obligation to select his sub-suppliers carefully with respect to quality and reliability, and to monitor correct order fulfilment.

18 Advertising

The supplier is only permitted to refer to his commercial relationship with the customer in his advertising and promotional materials, if the customer has consented to this in writing in advance.

19 Effectiveness/scope of validity

If a provision of these general purchasing conditions should prove to be or become unworkable then this shall not affect the legal validity of the remaining provisions.

20 Applicable law/place of jurisdiction/place of fulfilment

20.1 Applicable law

The legal relationship between the parties is subject to German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). The regulations on contract awards for public works do not apply.

20.2 Place of jurisdiction

Jurisdiction for all disputes arising between the parties is held by the courts presiding over the customer's registered office.

20.3 Place of fulfilment

At the customer's discretion, the place of fulfilment shall be the place of the customer's registered office or the delivery destination agreed in the order.

21 Data protection

The supplier and the customer shall store and process data within the framework of their mutual commercial relations using IT equipment, in accordance with the requirements of German law.