Terms purchase of goods

Standard Terms and Conditions for the Purchase of Goods (Import only)

1. Preamble

These Standard Terms and Conditions for the Purchase of Import Goods shall exclusively apply for all current and future supplies and services, even if they are not separately agreed again, to each company in the MACHEREY-NAGEL group of companies (hereinafter consistently referred to as "MN"), save as varied by express agreement accepted in writing by both parties. The most recent version of these Conditions shall also apply if MN accepts delivery of Goods under the existence of the supplier's contrary Standard terms not being subject of the contract.

Additionally, the law applicable to the single case and with regard to international agreements the INCOTERMS of the International Chamber of Commerce in Paris and the Uniform Customs and Practice for Documentary Credits (UCP - 600) shall apply in the latest version. Any agreement being concluded between MN and supplier shall only be binding between the parties if they are laid down in writing. Any conditional or different terms proposed by the supplier are objected to and will not be binding upon MN unless assented in writing by MN. Even if MN receives a letter containing the terms and conditions of the supplier or refers to, this shall not constitute an agreement with such terms and conditions of the supplier. Individual and explicit agreements with the supplier (including collateral agreements, supplements and amendments as well as service descriptions) shall in any case prevail over these Standard Terms and Conditions for the Purchase of Import Goods. A written contract or written confirmation of MN by a signatory is decisive for their content.

2. Offer / Quotation

The supplier shall strictly adhere to the range of the request or the tender conditions and in case of discrepancies shall point out explicitly such discrepancies in writing. The offer and if requested a cost estimate/quotation shall be made free of charge and shall construe no obligation to MN. Given cost estimation or quotation are binding on the supplier. Without the prior written consent of MN, the supplier is not entitled to have a third party provide the due performance.

3. Orders

Orders and order changes shall be sent by MN in writing, the written form is provided by fax or letter. The content of oral or telephonic meetings is only binding in doubt, if confirmed in writing. Orders by e-mail may only be performed by the supplier, if this has been expressly agreed with MN. Every order and change order shall be confirmed in writing by the supplier. All documents shall indicate: Purchasing Department, complete order number, order date and shortmark of the person executing the order in MN's purchasing department. A purchase contract is only considered complete when MN has provided a written declaration of acceptance within 14 days after receiving an offer. If the supplier does not confirm a written order within 3 days, MN is entitled to cancel the order. If the supplier will be provided with data for the purpose of ordering, these remain the sole property of MN and may not be disclosed without prior written approval by MN to any third party. Force majeure, acts of God, labor disputes, disruptions of operations, riots, official measures and other unavoidable events entitle MN - without prejudice to other rights - to cancel all or part of the purchasing contract in case MN must assume based on factual indications that this effects the performance of the supplier. If it becomes apparent after conclusion of the contract that the delivery is jeopardized due to lack of performance of the supplier (e. g. enforcement against the supplier, insolvency), MN is entitled to withdraw from the contract. The supplier is obliged to inform MN in writing of such a threat to the claim immediately with proof of delivery.

MN is entitled to terminate the contract at any time by written notice stating the reasons; if MN has ordered products that MN can no longer use in business operations. The supplier will be paid by MN for the partial performance provided by the supplier until date of termination letter.

4. Delivery

The delivery time given in the order is binding. If no delivery time was agreed, it is 7 days from order of MN. The delivery time starts on the order day. Once the supplier can assume that he cannot fulfill his contractual obligations on time wholly or partly, supplier shall inform MN immediately of the reasons and the expected duration time of the delay in writing. MN's receipt of the notifi cation shall be evidenced by the supplier. If the supplier omits the receipt of such notification, he can not rely on the obstacle according to sentence 4 of this paragraph against MN. If the supplier does not fulfill the agreed delivery time, he shall be liable according to legal regulations. Any agreed penalty in the event of culpable late delivery does not affect §340 Section 2 BGB (German Civil Code) in accordance. The penalty will be credited to any claimed damages. If the supplier is responsible for assembly or installation and there is nothing agreed to the contrary, the Supplier shall bear all additional costs such as travel expenses, in particular, provision of tools as well as allowances. The unconditional acceptance of a delayed delivery or service does not constitute any waiver of any claims for compensation MN is entitled to due to the delayed delivery or performance, which shall apply until full payment of the amounts owed by MN for the delivery or performance.

Premature deliveries or partial deliveries are not permitted, unless prior written authorization by MN is given or if it is reasonable for MN. Quantities, weights and dimensions determined by MN during the incoming goods inspection shall be relevant, except any other given evidence Referring to software that is part of the delivery, including their documentation, MN shall, in addition to the rights set forth herein and the right to use the legally permissible extent described (§§ 69a et seq German Copyright Law; UrhG), have the right to use the agreed performance characteristics and to the required extent contractually agreed for the use of the product. MN may also create backups without express agreement of the supplier.

5. Transfer of risks

Save as provided in an individual purchase (import) agreement the time at which the risk of damage to or loss of the goods shall pass shall be fixed in accordance with the INCOTERMS of the International Chamber of Commerce Paris (INCOTERMS in the current version, currently it is 2020). If no further indication is given in an individual contract of purchase (import), the goods shall be deemed to be sold "DDP" (delivered duty paid, INCOTERMS in the current version, currently it is 2020).

6. Warranties / Liability

Acceptance is subject to examination for defects. Upon receipt of goods ordered MN shall only perform a minimum check against the delivery for transport damage. Therefore, notice of obvious defects for quality and quantity deviations are in any case duly given as soon as they are discovered in the course of business operations. For services such as installation, maintenance, etc., analogously the preceding provisions shall apply. In that regard, the supplier waives the objection of delayed complaint. The supplier warrants that the goods supplied are free from defects, and comply with the conditions specified in the order, as well as guaranteed characteristics, the generally accepted rules of science and technology, the latest regulations of the authorities, the Product Safety Act, the applicable safety requirements and export -, occupational health and safety-, environmental protection- and accident preventionregulations. To monitor the regulations the supplier maintains a Quality Management System in accordance with applicable standards and

can provide MN on-demand corresponding evidence available and provide an insight into such Quality Management System. The statutory provisions on material defects and defects shall apply, unless otherwise regulated below.

If the delivered goods do not comply with the warranty set forth above, MN shall be allowed to demand either a reduction of the purchase price, replacement of defective items, withdraw from the contract and / or damages. In any such individual case, MN may invoice the supplier for each complaint a handling fee of 2 % of the delivered net value, but not less than EUR 30,– that is payable immediately and may be balanced by MN against any and all claims the supplier may have against MN. The handling-fee will be credited to any claimed damages in case there is identity of interests. MN shall have the right to determine the remedy. The supplier has the right to refuse the type of subsequent performance of MN under the conditions of § 439 subparagraph 3 German Civil Code (BGB).

If the supplier - upon request by MN to remedy - does not immediately begin with remediation of the defective goods or supplier is unsuccessful with said remediation, MN, in urgent cases (e. g., to avert acute danger or to avoid harm) shall have the right to remedy the defect on supplier's cost or have it remedied by third parties.

In case of defects in title the supplier agrees to indemnify and hold the buyer harmless from and against any claims that may be asserted against MN by third parties. For Claims for defects in title the relevant statutory limitation period applies. The warranty period for defective goods shall be 2 (two) years, unless otherwise agreed and unless the defective goods in accordance with their normal use are been used for a building and have caused its defectiveness.

The limitation period for claims for defects begins with the delivery of the goods (transfer of risk). The warranty shall be extended to parts manufactured by subcontractors of the supplier. In case of a complaint, the warranty period shall be extended by time period between the notice and remedial period. If the delivered defective goods are completely replaced, the warranty period shall begin again, if partial renewal the extended warranty shall apply to the renewed parts. The defective parts under the warranty shall remain at the disposal of MN until been replaced and shall become suppliers property at the moment of replacement. If MN recalls or takes back MN manufactured and / or sold products as a result of defi ciency of the supplied goods or services or if the purchase price for such MN products has been reduced or if MN has been claimed in another form therefore, MN retains recourse against the Supplier pursuant to §§ 478, 479 German Civil Code (BGB). Insofar in these cases the applicable law shall apply, if not effectively altered in these Standard Terms and Conditions for the Purchase of Import Goods.

The supplier indemnifies and holds MN free and harmless from all claims arising from product liability and product liability claims due to the extent of the Supplier or its sub-supplier has caused the product defect and/or the liability. In cases of strict liability, however, this only applies if the supplier or a third party is at fault attributable to him. In such cases the supplier shall bear all costs and expenses, including the costs of any legal action or recall.

7. Tests of supplied goods

If tests are provided for the supplied goods, the supplier shall bear the material and its personnel costs for such tests. MN shall bear its personnel costs. The supplier shall inform MN in binding form at least one (1) week prior to the test to show test readiness and to arrange an inspection date. If the supplied goods are not presented to this date, then the supplier shall bear MN's personnel costs. If due to established deficiencies repeated or further testing is required, the supplier shall bear all material and personnel costs. For the material certificates of the primary materials, the supplier shall bear the material and personnel costs.

8. Insurances

If different to the general provision "DDP" (Delivered Duty Paid) – as mentioned in provision X hereof - according to the current version of INCOTERMS of the International Chamber of Commerce in Paris, currently this is 2020, it is required to conclude a further or other transport insurance the such insurance will be contracted exclusively by MN. In such case MN shall declare itself for all customer orders to surrender pursuant to § 29 2.1 ADSp. The supplier shall guarantee that each partial delivery shall not exceed a value of EUR 100.000,–. The supplier shall have and maintain at its sole expense for any damage caused by the supplier , its staff or its agent by services rendered, provided work or supplied goods and for damages resulting from claims of product liability an adequate liability insurance in the amount of at least € 10.000.000,– per occurrence. Said insurance has to cover also the risk of recall, if not agreed to the contrary. The supplier shall evidence the coverage amount per occurrence to MN at the first request by an insurance certifi cate of the leading insurance company. The completion of special assembly insurance in addition to the liability insurance shall be subject to a separate single case agreement between supplier and MN.

9. Process- / Product- / Release- Changes

Suppliers with whom MN does have a continuous business are obliged to inform MN in writing with a notice period of at least six (6) months in advance if they intend to implement product or process changes with respect to MN - related products. The supplier is obliged to keep spare parts for products delivered to MN for a period of at least 5 years after delivery. If the usual shelf life of a product supplied to MN is more than fi ve (5) years, then the usual shelf life shall be extended to the period for which the supplier is required to maintain the spare parts. If a new release of a supplied product falls timely between order and delivery of such product, the latest release of the product on date of delivery shall be deemed as ordered, unless the order is not expressly referred to a particular release. Any difference in cost between the release versions will be borne by the supplier.

10. Shipping regulations

For any shipping - unless otherwise agreed in individual cases - the clause "DDP" (Delivered Duty Paid) according to the current version of INCOTERMS, currently this is 2020, of the International Chamber of Commerce in Paris shall apply. The supplier shall submit a detailed dispatch notice, separated from the goods and invoice, for every shipment on the day of shipment. The delivery shall be accompanied by delivery notes and packing slips.

For transport by ship, the name of the shipping company and the ship are given on any shipping documents and invoices. The supplier has to choose the best and most suitable carrier for MN. The supplier shall specify order reference and details for unloading on all dispatch notes, delivery notes, packing slips, bills of lading, invoices, and on the outer packaging, etc. as prescribed by MN. On all order confi rmations, delivery notes and invoices, the supplier shall provide order number, item description, delivery quantity and delivery address.

Should one or more of these data is missing and thereby a delay in the normal course of business is caused, payment periods referred to the period of delay shall be extended under Section XII. Basically, the supplier shall pack / mark and deliver dangerous goods in accordance with all the national / international regulations. The accompanying documents shall contain not only the hazard class but any other additional information set by the respective shipping regulations. The supplier shall be liable for all damages and shall bear all costs arising from non-compliance with any regulations. The supplier shall also be responsible for compliance with these regulations by its subcontractors.

All shipments that can not be taken over by non-compliance with these regulations shall be stored at the expense and risk of the supplier. MN is authorized to determine the contents and condition of such shipments. Tooling and hoisting equipment shall not be loaded with supplied goods together.

11. Pricing

The price specified in the order is binding. The prices are in EURO or USD - depending on the designation by MN - plus VAT or other local taxes, unless otherwise agreed. If the supplier reduces its prices between order and delivery time and improves the conditions, the applicable prices and conditions on the day of delivery shall apply. The price includes any and all benefits and ancillary costs such as tolls, duties, bank fees, packing, transport and insurance costs. The supplier shall return on own costs the packaging material, if MN so requires. Further collection duties of hazardous substances or disused objects (including, but not limited to electrical items), insofar as regulated by law or EU regulation, are in doubt accepted by the supplier.

12. Billing and payment

Invoices shall reflect wording, order of the text and the price of the order. MN makes payments within fourteen (14) days after delivery, invoice receipt and approval of the goods minus three (3) % discount or within 60 (sixty) days without deduction. The choice of the methods of payment shall remain at the sole discretion of MN. Payment and discount periods shall start from the set date, at the earliest from receipt of goods and invoice. Any payment does in no event imply acceptance of terms and prices. The date of payment shall have no impact on the warranty of the supplier and the right to complain. The payment of the underlying delivery invoice shall not constitute acknowledgement of freedom of defects for the goods or services supplied. MN remains any offsetting and retention rights as well as the defense of non- or not complete performance of the contract. In particular, MN is permitted to withhold payments to the extent MN still has claims of defective supplies or services.

13. Property rights

The Supplier represents and warrants that in the context of the intended use of the goods and services supplied no property rights of third parties are infringed in Germany and/or worldwide. The supplier agrees – on first request – to indemnify and hold MN free and harmless from and against any claims that may be asserted against MN by a third party due to an infringement upon such proprietary rights regardless of fault of the supplier; MN is not entitled without

the consent of the supplier to enter with the third party into any agreements about such infringement claims, especially to reach a settlement. The indemnification obligation extends to all expenses, damages, costs and payment obligations asserted against MN directly or in connection with the claim by a third party. As part of its obligation to indemnify MN, the supplier in accordance with §§ 683, 670 German Civil Code (BGB) shall pay for any costs and expenses arising out of or in connection with any demand by third parties, including guided MN recalls. MN will inform the supplier about content and scope of the recall - as far as possible and reasonable - and give the supplier the opportunity to comment. Further statutory claims remain unaffected.

14. Promotional material

It is only permitted with the express written permission of MN to refer to the existing business relationship with MN in related information and promotional material. For those statements, the user of promotional material shall be liable.

15. Construction documents / Codes

The supplier must design documents that were left to him for making the delivery item MN, does not use, reproduce or make available to third parties for out-of-contract purposes. The supplier will submit it to MN plans, execution records , technical calculations, etc., relating to the delivery item, for approval and after approval MN leave a mother pause, if MN needs these documents in common use or repairs. Upon request, he shall supply drawings for the MN also essential spare parts. By approving such plans, design drawings, technical calculations, etc. the warranty obligations of the Supplier shall not be affected. Molds, tools, printing templates, etc., the MN are calculated, go with the payment of the property of MN on, they are kept apart by the supplier free of charge for MN and spatially and insured and are surrendered at the first request to MN. The supplier undertakes to hand over the source code and the description of the operation of devices as supplied goods in data-technical terms to MN not later than the delivery of the first device. As far as new software is created the supplier represents and warrants that MN shall be granted equal rights to the source code and the source code shall be provided by the supplier to MN. Furthermore, the supplier represents and warrants transferring a “data exchange protocol” not later than the delivery of the first device.

16. Execution of work

Persons who perform work under the relevant contract on the MN’s premises have to comply with the provisions of the respective operating systems and labor protection laws, fi re protection regulations and any other safety regulations. The liability for accidents suffered by these persons on the premises is excluded unless it was not caused by intentional or grossly negligent breach of duty by the legal representatives or vicarious agents of MN. All information acquired during the visit or in the documents and other briefings or in the delivery of knowledge in manufacturing or business secrets shall be treated strictly confidential by the supplier, or its third party agents or vicarious agents. In case of misuse of such information the supplier shall be liable.

17. Applicable law; place of jurisdiction; place of performance

These Standard Terms and Conditions for the Purchase of Import Goods shall be governed by, construed and interpreted in accordance with German Law without reference to its principles of conflicts of law and without regard to the 1980 UN Convention on the International Sale of Goods. Unless mandatory legal provisions prevail, the exclusive place of jurisdiction shall be Cologne, Germany. Place of performance shall be Duren, Germany. However, MN is also entitled to fi le a lawsuit at the supplier’s place of business.

18. Miscellaneous

Trade terms shall be interpreted in accordance with the valid INCOTERMS (currently these are INCOTERMS 2020) of the International Chamber of Commerce in Paris. If any provision of these Standard Terms and Conditions for the Purchase of Import Goods is invalid, this shall not affect the validity of the remaining provisions nor the effectiveness of any individual sales contract. The invalid clause shall be substituted by a reasonable provision, to the extent legally possible, achieving as closely as possible what the parties intended or would have intended from the meaning and purpose of the contract insofar they would have considered it at the conclusion of the contract or at a later inclusion of a provision.

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