

GENERAL TERMS AND CONDITIONS OF PURCHASING Orbitalum Tools GmbH, Singen

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1. SCOPE OF APPLICATION

1.1 The following terms and condition of purchasing apply exclusively to all of our orders for deliveries and services. Any additional supplier conditions or conditions which differ from these conditions, in particular general terms and conditions of sale, only apply if we have confirmed them in writing.

Our terms and conditions of purchasing also apply without restriction in the event that we accept deliveries or services without reservation or make payments in the knowledge of the different conditions of the supplier.

1.2 Our terms and conditions of purchasing apply to all future business.

1.3 If the order confirmation differs from our order, we consider the difference binding when we have confirmed it in writing.

1.4 All forms of communications which facilitate verification in text form, e.g. telefacsimile and e-mail, are regarded equally as the written form.

2. DELIVERY TIME

2.1 The delivery time stated in the order is binding.

The arrival of the object of supply at our factory is definitive for the adherence to the delivery deadline or the delivery period. If the delivery has not been agreed "free factory" or DDP/DAP as per the Incoterms of the ICC (current issue), the supplier must make the goods available in good time taking into consideration the usual time for loading and forwarding.

2.2 The supplier shall be obliged to notify us immediately in writing in the event that circumstances arise or are detected which indicate that the delivery time cannot be achieved.

2.3 In the event of late delivery we shall have the right to discount a contractual penalty of 1% of the value of the delivery from the price for each per commenced week of delay, but no more than 5% of the delivery value. We shall have the right to assert a contractual penalty in addition to fulfillment and any claims for compensation for damages. The acceptance of a late delivery or service does not constitute the renunciation of claims for compensation for damages. Contrary to § 341 Para. 3 BGB, the contractual penalty can be asserted up until the point of final payment.

2.4 We shall only accept partial deliveries and early deliveries if they have been agreed.

3. PACKAGING, TRANSPORTATION, INSURANCE AND RISK ASSUMPTION

3.1 The supplier shall assume the costs for packaging, storage and all other additional shipping costs. Damage to the object of supply as a result of insufficient packaging shall be charged to the supplier.

3.2 If an agreement is in place for the return of empty packaging and packaging material, the supplier shall cover the costs of transportation and utilization.

The current valid issue of the Packaging Ordinance also applies.

3.3 If delivery is made "free factory", the risk is transferred to us when the object of supply is handed over to us in proper condition at our factory. If there is no agreement for "free factory" delivery, the risk is transferred to us when the object of supply is handed over to us in proper condition at the place of delivery.

We reserve the right to make use of another provision for the transfer of risk from the application of an agreed Incoterms clause of the ICC. If the object of the contract is not the delivery of goods, but rather the provision of a service, the risk shall be transferred to us with acceptance of the service. Acceptance by way of putting into practical use is excluded.

3.4 We do not remunerate transport insurance premiums.

4. INSPECTION OF DELIVERY

4.1 We shall report any defects to the delivery in writing as soon as they are identified in accordance with the circumstances of proper business process. The supplier shall thus renounce the right to reject delayed claims. The period for making claims for hidden defects is two weeks after discovery.

4.2 Our payments do not constitute unconditional approval of the delivery.

4.3 The supplier shall not have the right to make excess deliveries or short deliveries.

5. LIABILITY FOR DEFECTS

5.1 Delivery must comply with the domestic legislation, in particular the regulations for the prevention of accidents, the valid ordinances and directives, VDE regulations, the recognized latest rules of technology, and the documents, such as drawings and descriptions, on which the order is based.

5.2 We are entitled to legal warranty rights without restrictions. In the event of defects to the object of supply the supplier shall in particular

be obliged to eradicate the defects or make a new defect-free delivery, or provide the service free from defects, in accordance with our selection (rectification). The supplier shall in particular bear all expenses generated in conjunction with eradication of the defects or new delivery/service.

In the event that we discover a defect to the object of supply before it is processed, installed or resold at our factory, the internal processing costs which the supplier has to compensate are as follows:

a) EUR 25.00/unit, if return delivery is not necessary

b) EUR 50.00/unit if return delivery is necessary

The supplier shall have the right to demonstrate that no damage has been incurred or the actual incurred damage is much lower and/or that much lower expenses have been generated as a result of processing the defects on our premises. We reserve the right to assert further claims for compensation for damages.

5.3 In the event that there is a risk associated with delays, or there is particular urgency in order to prevent further damages, we shall have the right to eradicate defects ourselves at the expense of the supplier.

5.4 In the event that rectification is not performed within the reasonable period we set, the supplier refuses to perform rectification, it is not possible or the attempt to rectify fails, we shall have the right – irrespective of any claims for compensation for damages – to withdraw from the contract or reduce the price.

5.5 Claims for defects are limited to 36 months after delivery of the goods or provision of the service unless the law defines a longer limitation period.

If a replacement delivery is made, a new limitation period of 12 months begins for all subsequently delivered objects of supply. If the original 36-month period of limitation for the object of supply has not yet expired after these expire, claims for defective rectification can be asserted until expiry of this 36-month period of limitation. The period for liability for defects to the object of supply shall be extended by the duration of the break in operation caused by the rectification work.

5.6 Otherwise the legal regulations apply.

6. PRODUCT LIABILITY, INSURANCE

6.1 In the event that the object of supply has a product fault in accordance with product liability law, the supplier shall compensate us for the resultant damage, including operating costs rendered futile, and exempt us from any liability to third parties or the claims of third parties caused by manufacture, delivery, storage or use of the objects of supply, upon the initial request. The indemnification obligation shall not apply in the event that the claims related to gross negligence or willful neglect of obligations on our part.

6.2 The supplier must take out business liability insurance with total cover of at least EUR 1 million for each case of damage due to personal injuries and material damage and maintain this cover at all times.

7. PRICES, PAYMENT TERMS

7.1 The price indicated in the order is binding; if it is not defined, the lowest current prices at the time of delivery shall be authoritative.

7.2 The price is quoted for "free factory" delivery including packaging and the statutory value added tax.

7.3 In general we only make payments in advance for order values of more than EUR 50,000. Upon request the supplier must provide us with appropriate security in the form of a down payment/prepayment guarantee from a credit institute or credit insurer licensed in the EU without recourse to the benefit of discussion (§ 771 BGB) to the amount of the respective down payment made.

7.4 We can only process invoices if – in accordance with the stipulations in our order – they include the order number featured in it.

7.5 In the absence of any other written agreements, we shall pay the price after delivery/acceptance of the service and receipt of the invoice within 14 days with 3% discount or within 60 days net.

7.6 We shall have the right to select the means of payment.

7.7 In case of defective delivery or service, and in the event that material quality certificates, factory certification or certificates of origin or other documents are not provided by the supplier, we shall have the right to retain payment for the proportion of the value until the requirements have been properly fulfilled.

Payments or down payments do not constitute recognition of the deliveries or services as in accordance with the contract.

7.8 The transferral of pecuniary claims against us to third parties shall only be permitted with our written approval.

8. INTELLECTUAL PROPERTY, CONFIDENTIALITY

8.1 The technical documents (figures, drawings, calculations etc.), samples, models, molds or tools provided to the supplier remain our tangible and intellectual property. They must not be made

accessible to third parties without our written approval, and must be used exclusively for the manufacture of the object of supply or for the provision of the service, as applicable.

8.2 We treat the technical documents of the supplier or the supplier's sub-suppliers as confidential and they remain the property of the supplier or the sub-suppliers unless forwarded to third parties in the approved manner.

9. VIOLATIONS OF PROPERTY RIGHTS

The supplier is liable for ensuring that the property rights of third parties are not violated as a result of the delivery and use of the objects of supply.

The supplier must exempt use from the claims for compensation for damages of third parties.

Our claims against the supplier are limited to 3 years from assertion of the claim enforceable against us by the owner of the property rights.

10. DATA PROTECTION

The processing of personal data is necessary within the scope of the contractual relationship. This is performed in accordance with the legal regulations.

11. FORCE MAJEURE

In the event that we are affected by events of force majeure, such as war, operational disruptions of any kind, industrial disputes (strikes and lockouts) or other unforeseeable circumstances, we shall have the right to withdraw from the part of the contract not yet fulfilled, without the supplier being afforded any rights to claims for compensation for damages in relation to the part of the contract not fulfilled.

12. CONFLICT MINERALS

Upon our request the supplier must specify whether the products commissioned by the supplier contain tin, tantalum, tungsten, gold or another "conflict material" as defined in the regulations of the US Securities and Exchange Commission ("SEC"). If none of the products contains one or more of the conflict minerals listed in the applicable SEC regulations and interpretations required for its function, at our request the supplier must provide proof that none of the products contains any such conflict minerals. If a product contains one or more of such conflict minerals, the supplier must provide proof of the country of origin of each one of these conflict minerals or provide proof that the conflict mineral has been extracted from recycled or scrapped material and complies with the provisions and conditions of the SEC regulations. In the event that the supplier is unsuccessful in naming the country of origin and the conflict minerals have not been extracted from recycled or scrapped material, the supplier must question all possible suppliers as to the country of origin of the conflict minerals based on a principle of good faith. The implementation of this investigation must comply with the standards defined in the SEC regulations for the identification of the probable country of origin. In the event that the supplier knows or learns that one of the conflict minerals required for the function and the manufacture of the product originates from a "conflict country" in accordance with the definition of the SEC regulations, and not from recycled or scrapped sources, the supplier shall be obliged to determine based on a principle of good will whether these conflict minerals originate from processing plants with smelting works which a recognized industrial concern has had tested and certified as conflict-free in an independent, privately conducted audit, or from independent processing plants which have been subjected to an independent, private audit customary on the market. The circumstances must be reported in writing by the supplier. The supplier shall also be obliged to take any additional measure and provide further information which we have requested and which enables us to comply with the valid laws, regulations and rules on conflict minerals.

13. PLACE OF PERFORMANCE, APPLICABLE LAW, PLACE OF JURISDICTION

13.1 The place of performance for the delivery, services and payment is the respective factory which places the order.

13.2 German law shall apply exclusively without the possibility of application of the UN Convention on Contracts for the International Sale of Goods (CISG).

13.3 The exclusive place of jurisdiction is Singen; however we shall have the right to bring legal actions at the local of the supplier's registered office.

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