



General Conditions of Purchase (Windmüller & Hölscher Machinery k.s.)

1. Scope of validity

1.1 Our conditions of purchase apply exclusively; contrary conditions or conditions of the supplier which deviate from our conditions of purchase are not recognized by us and shall not become part of the contract. Our conditions of purchase also apply if we unreservedly accept supplies/services of the supplier or make payment in the knowledge of contrary conditions or conditions of the supplier which deviate from our conditions of purchase.

2.1 Our conditions of purchase apply only to transactions with businesses.

2. Contract

2.1 Offers, orders, schedule calls and any relevant amendments and additions have to be made in writing. The written form is also satisfied by e-mail, fax, letter or order placed via the P4T Portal.

2.2 Offers from suppliers are made free-of-charge and do not entail any obligation on our part.

2.3 Our written order is the sole determining factor for the content, type, extent and quality of the supplies/services. If the supplier does not fully and without restriction accept our order within a notice period of one week from receipt, we have the right of cancellation without any charge.

2.4 The supplier has to expressly note any delivery deviations from our order and mark these specifically. Amendments or additions to the order are in cases of doubt only binding if they have been confirmed by us in writing.

2.5 The complete transfer of supplies/services to a third party (subcontractor/supplier) requires our written agreement. If the supplier intends to use a third party to perform his supplies/services, the supplier has to timely inform us in advance. In all cases the supplier remains responsible for the fulfillment of each order.

3. Object of delivery, execution

3.1 The supplies/services of the supplier have to comply with the legal requirement applicable at the time of the delivery and location of the buyer and the guidelines and recommendations of authorities and meet the state of the art in science and technology and the regulations, guidelines and standards applicable within the European Union. The latest valid version of inspection reports and safety data sheets have to be supplied free-of-charge with the goods. The same applies for the declarations of conformity including operating instructions and certificate of origin and supplier's declaration for goods which have to be supplied to us in German and English.

3.2 Any drawings, calculations, descriptions and other documents provided by us are binding for the supplier. The supplier has to examine them to ensure they are complete and accurate and has to inform us without delay and in writing in the event of incompleteness or inaccuracy. The supplier shall retain sole responsibility for drawings, plans and calculations drawn up by the supplier if these are approved by us.

3.3 We shall retain the right of property and copyright to images, drawings, calculations, files, software, documents and papers which have been produced based on our information and instructions; they may not be made accessible to third parties without our express written approval. They have to be solely used for the performance of supplies/services as a result of our order; they have to be returned to us without the need for a request after completion of the order. A right of retention is precluded in this respect. The supplier is obliged to treat all images, drawings, calculations, files, software, documents, papers and information which he receives in strict confidence. They may only be disclosed to third parties with our express written approval. The supplier is obliged to use the information and documents solely for the manufacture of the supplies/services ordered by us. The obligation to confidentiality shall apply also after completion of our order; it shall expire if and where the knowledge contained in the transferred images, drawings, calculations,

documents, papers and information becomes general public knowledge. The supplier has to appropriately oblige his employees and sub-suppliers to maintain confidentiality.

3.4 Amendments to materials, components or manufacturing procedures have to be notified to us by the supplier at least six months before carrying out such intended actions and are only permitted after our express written approval.

3.5 The supplier is obliged to maintain stocks of replacement parts for the period of the normal lifetime of the items supplied. During current business relations the supplier has to communicate to us without delay any planned termination of the production of such replacement parts and has to ensure the maintenance of supplies at reasonable prices for at least six months after an announcement of the termination.

3.6 The supplier undertakes to abide by our working regulations/safety instructions and the working regulations/safety instructions of our customers if he provides supplies or services in our plants or at our customers' sites. The supplier has to observe the legal, official and work safety-related rules and recommendations and the safety and plant-specific instructions at each place of work and appropriately instruct his employees. The supplier has to check and ensure that operating and work equipment is in a proper condition before use and that it is put to proper use during its application.

3.7 The supplier is obligated to follow the regulations on the minimum wage law and to pay his employees at least the statutory minimum wage. Supplier has to obtain in writing corresponding undertakings from its subcontractors. The supplier has to supply us with requisite evidence upon demand and we or a third party are permitted, for the purpose of carrying out an investigation, to gain insight into the payroll and other business documents of supplier. The supplier shall indemnify and hold us harmless for any infringement done by him or any subcontractor against the minimum wage law.

4. Transfer of risk, prices, payment conditions

4.1 The supplies has to be delivered to the destination given in the order, which also acts as the place of performance, DDP in accordance with Incoterms 2010. Unless otherwise agreed, Kralice na Hané (Czech Republic) will be the place of performance.

4.2 The prices listed in the order are fixed and binding. A return of the packaging requires a special agreement. The prices do not include the statutory value-added tax which has to be indicated separately.

4.3 The supplier has to inform us in good time before delivery about prices which are not expressly determined and listed in our order so that approval may be granted.

4.4 The supplier is obliged to provide our order number, our item number and our material number on all dispatch documents, delivery notes and invoices; the supplier is responsible for all consequences resulting from non-maintenance of this obligation unless he is able to prove that he is not responsible. Otherwise, our General delivery terms shall apply.

4.5 We will make payment, unless otherwise agreed in writing, of the purchase price within 30 days after proper delivery and receipt of the invoice.

4.6 We are legally entitled to make use of rights of offsetting and retention.

5. Delivery period

5.1 The delivery date given in the order shall be binding. Unless otherwise agreed in writing, the receipt of the contract products at W&H shall be decisive for the maintenance of the delivery date.

5.2 We are not obliged to accept part deliveries or partial provision of services.



General Conditions of Purchase (Windmüller & Hölscher Machinery k.s.)

5.3 The supplier is obliged to inform us without delay and in writing if circumstances occur or become recognizable to him which will result in the delivery date not being able to be observed.

5.4 Where there is a delay in delivery we have the right to demand a contractual penalty of 0.2% of the value of the delivery per working day, however not more than 5 %. We have the right to impose a contractual penalty, in addition to the performance, up to the due date of the final invoice. We reserve the right to take up additional claims and rights.

6. Quality, receipt of goods

6.1 The supplier shall maintain a quality management system whose nature and extent at least meets the demands contained in the current version of DIN EN ISO 9001 et seqq. Before delivering to us, the supplier has to carry out an outgoing goods check with a final inspection in order to ensure that only free-of-defect goods are delivered.

6.2 After receipt of the supplied items, we will check whether they meet the material numbers and the quantities contained in the order, whether externally visible damage has occurred during transport or whether there are any visible signs of faults or whether such faults could be seen at a later time, such as during fitting or commissioning of the supplied items. Obvious faults will be reported by us within ten (10) days after delivery and inherent faults within ten (10) days after their discovery.

7. Defects, product liability, insurance

7.1 We are entitled to the statutory warranty claims without restrictions; in any case we shall be entitled at our sole discretion to demand elimination of the defect or delivery of a new item. The right to claim damages, in particular for damages in lieu of performance, remains expressly reserved.

7.2 The supplier shall bear all expenses incurred in connection with the identification and repair of faults, including expenses incurred by us or our customers, in particular inspection costs, the cost of disassembly and assembly, labor and material costs and transport and other costs. This also applies where the expenses are increased by the fact that the delivery items were moved to another location than the place of performance, however not if, in such a case, disproportionate costs are incurred.

The type of subsequent performance desired by us may not be refused with the reason that it would only be possible at disproportionate expense as long as the cost of the subsequent performance chosen by us is not three times in excess of the original purchase price of the faulty supplied item.

7.3 We have the right to undertake to rectify the defect ourselves or to have this carried out by a third party at the cost of the supplier if we have agreed the rectification/self-performance with the supplier or the supplier is in default with his deliveries or a subsequent performance by the supplier is not reasonable for us.

Unreasonableness is present if the rectification of a defect by us or by a third party can be carried out at a lower cost or speedy assistance is required in order to maintain continuity of our production process or to avoid a delay in delivery on our part.

7.4 Claims based on defects shall become statute - barred after a period of 36 months from the passing of the risk. For parts rectified or resupplied within the limitation period the limitation period recommences from the time of successful rectification unless the rectification of the fault by the supplier clearly took place only as a gesture of goodwill, to avoid legal disputes or in the interest of the continuation of the supply relationship.

7.5 The supplier is responsible for ensuring that the supplies/services delivered by him will not infringe any industrial property rights, copyrights or other rights of third parties within the European Community. If a claim is made against us by a third party, the supplier is obliged to indemnify us upon first demand from such claims and all demanded expenses and costs arising and in connection with such a claim.

7.6 Where the supplier is responsible for product damage, he is obliged to release us from damage claims by third parties upon first demand, providing the cause of which lies within his sphere of control and organization and where he is directly liable vis-à-vis third parties.

The supplier undertakes to maintain a business and product liability insurance policy with a lump sum coverage of 500,000.00 EUROS for each case of bodily injury/damage to property. Should we have the right to additional damage claims, these remain unaffected by this.

8. Provision - means of production

8.1 Where we provide parts to a supplier, we reserve the right of ownership of these parts. Processing or conversion is undertaken by the supplier for us. If the parts to which we retain ownership are processed with other items not belonging to us, we acquire coownership of the new item in relation to the value of our goods (purchase price plus VAT) to the other processed items at the time of processing. The same applies if our ownership is lost due to blending or mixing of the goods.

Where the security rights which we hold exceed the purchase price of all our parts to which we retain ownership and which are not yet paid by more than 10 %, we are obliged, where demanded by the supplier, to waive the security rights at our discretion.

8.2 We shall retain the right of ownership of means of production (tooling, fixtures, models, samples, templates etc.) which we have provided to the supplier. Means of production which are produced by the supplier using our documents or which are directly or indirectly paid for by us shall pass into our ownership. The supplier is obliged to use the means of production solely for the manufacture of the supplied items ordered by us. The supplier has to maintain the means of production without any charge for us with the diligence of a prudent businessman and has to carry out any required repair and maintenance work free-of-charge. The supplier is obliged to insure the means of production belonging to us at their value as new at his own cost against damage by fire, water and theft. At the same time, the supplier shall assign to us all claims for compensation arising from this insurance; we hereby accept the assignment.

9. Applicable law, place of jurisdiction

9.1 Czech law applies to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980.

9.2 The sole place of jurisdiction is location defined by the buyer.

Date: July 1st, 2017, in Kralice na Hané