

General Purchasing Terms for the Delivery of Goods and Services

of the following Hettich Group Companies

Hettich Management Service GmbH
Paul Hettich GmbH & Co. KG
Hettich Heinze GmbH & Co. KG
Hettich-ONI GmbH & Co. KG
Druck- und Spritzgußwerk Hettich GmbH & Co. KG
Hettich FurnTech GmbH & Co. KG
Hettich Do-It-Yourself GmbH & Co. KG
Hettich Marketing- und Vertriebs GmbH & Co. KG
Hettich Maschinenteknik GmbH & Co. KG
Hettich Franke GmbH & Co. KG
Hettich Logistik Service GmbH & Co. KG
Hettich Holding GmbH & Co. oHG

- each order-placing Hettich Company hereinafter referred to as the "Customer" -

§ 1 Area of application

1. The Customer's General Purchasing Terms shall apply to all – even future – goods and/or services of the Supplier which are delivered to the Customer. Services, within the meaning of these terms and conditions, specifically means any kind of work performed or services rendered.
2. The Customer's General Purchasing Terms apply exclusively; general business terms of the Supplier which contradict or vary from these are not recognised by the Customer unless accepted by the Customer in writing in individual cases.
3. The Customer's General Purchasing Terms shall be deemed accepted in their entirety by the Supplier if the Supplier accepts an order or starts to provide the goods or services. The Customer's General Purchasing Terms shall also apply if the Customer accepts the Supplier's good or service without reservation and with full knowledge of terms and conditions of the Supplier that are different to the Customer's General Purchasing Terms.

§ 2 Formation of the agreement

1. Any declarations concerning the conclusion of an agreement (e.g., orders, offers or order confirmations) as well as contractual amendments and subsequent agreements regarding additional services, must be in writing. Electronic communication suffice for purposes of satisfying the written form requirement.

2. In the absence of an agreement to the contrary, order confirmations must be issued with the full contents in agreement with the order, and stating the order number and order date. If the Customer provides a confirmation form, this must be used.
3. If the Supplier does not accept the order within the period stated in the order, but at the latest within two weeks from receipt, the Customer is no longer bound by its order.

§ 3 Prices; payment terms

1. The agreed prices are fixed prices. Sliding-scale price clauses and price reservations are effective only with the express written confirmation of the Customer.
2. The price includes free delivery to the place of performance specified in the order, and includes packaging, transport insurance and other related delivery costs.
3. The packaging, transport insurance and other related delivery costs (e.g., transport insurance) will be assumed by the Customer, but only if there is an express agreement to that effect. In this case, the Supplier must always select the cheapest method of freight; the Customer reserves the right in this regard to select the shipper. Packaging materials may be returned by the Customer at no charge.
4. In the event services as defined in § 1 subsection 1 of these General Purchasing Terms are provided, all expenses incurred by the Supplier for providing the services (e.g., travel costs) will be covered and paid for under the agreed compensation.
5. Invoices must be made out in an orderly and checkable manner in accordance with the tax requirements which apply in each case. In particular, invoices must state the correct company name, the tax number or VAT identification number of the Customer and the order number given in the order. Value-added tax must be shown separately. Promptly after delivery, invoices must be submitted separately, i.e. not enclosed with the delivery.
6. If the invoice does not fulfil these requirements, the Customer is not obliged to make payment. If the Customer nevertheless does make payment, the Supplier is responsible for any loss incurred by the Customer as the result of the incorrect invoice.
7. In the absence of an agreement to the contrary, invoices will be paid by the Customer within 15 days less 3% cash discount or within 30 days net, using the payment method chosen by the Customer.
8. For calculation of payment and cash-discount periods, the date of receipt of the invoice is decisive; if the delivery item is received later than the invoice, the date of receipt of the delivery item but at the earliest the delivery date agreed in the order is decisive.
9. The Customer is entitled to offset and retention rights within the parameters of the law. The Customer is in particular entitled to withhold payment wholly or partially as long as and to the extent that warranty claims are pursued by it.

§ 4 Subject and date of the goods and/or service delivery

1. The content, type and scope of the goods and/or the services to be delivered is governed solely by the order. If the delivery is made on the basis of scheduled delivery call-offs, then the content, type and scope of the delivery will be determined by the scheduled delivery call-off in connection with a master agreement or quantity contract.
2. The delivery or service dates specified in the order or otherwise in writing are binding.
3. The Supplier is obligated to notify the Customer in writing without undue delay if circumstances arise, or become apparent to the Supplier, which indicate that the stipulated time of delivery or service cannot be met.
4. Partial deliveries or partial performance as well as the deliveries of goods or services before the agreed date require the prior consent of the Customer. Deliveries, which exceed the quantity ordered, may be returned by the Customer without prior notification and may be done at the Supplier's expense and deducted from the invoice.
5. If the agreed time of delivery or service is not met, then the Customer is entitled to the statutory claims. In particular, the Customer is entitled to demand damages in lieu of performance and rescission after fruitless expiry of a reasonable period. If the Customer demands damages, the Supplier is entitled to prove that it is not responsible for the breach of duty. To avert further damage caused by delay, the Customer may demand delivery of the contract products by air freight at the Supplier's expense provided that the costs and forecast damage are in reasonable proportion.
6. If the Supplier is culpably in default, the Customer is entitled to demand a contractual penalty of 0.3% of the agreed net price per working day. In total, however, the contractual penalty will not exceed 5% of the agreed net price. The Customer may demand the contractual penalty in addition to performance and as a minimum amount for the compensation owed by the Supplier in accordance with the provisions of the law. If the Customer accepts a late delivery of the good or service, the Customer may demand the contractual penalty only if it makes an appropriate declaration of reservation to the Supplier at the latest within 10 working days after acceptance of the late delivery of the good or service.
7. A delivery note in duplicate must be enclosed with each delivery. A dispatch notification (with no duplicate) must be sent to the Customer immediately after dispatch of each delivery. The Supplier must state in all delivery notes and dispatch papers the order number given in the order, the order date, the order quantity, the weight (gross) and the Hettich material number. If agreed, package content lists must be enclosed with the delivery. If the Supplier fails to fulfil these obligations, the Customer is not responsible for processing delays.

§ 5 Formal acceptance

1. If a formal acceptance of the good or service is required under a contractual agreement or by law, then the Supplier may not demand formal acceptance until it has proven that the good or service is ready for formal acceptance.
2. Unless otherwise expressly agreed, no partial formal acceptances may be made. The testing of interim results and partial payments do not constitute partial formal acceptance.

§ 6 Examination for defects; liability for defects

1. For its deliveries and services the Supplier must comply with the recognised rules of technology, the relevant provisions of the law and official regulations, particularly safety regulations, and the product specifications. The specifications may in particular be determined in text form and electronic data files or by samples and drawings. Changes to the object of the delivery or service require the Customer's prior express consent in written form.
2. If the Customer is obligated to carry out an incoming goods inspection, then this shall be carried out by the Customer only in respect to obvious defects and transport damage to the goods. An identity examination will be carried out only on the basis of the enclosed transport documents. In the course of the incoming goods inspection or later identified defects must be reported without undue delay after discovery. Section 377 of the German Commercial Code (HGB) is otherwise excluded.
3. The Customer is entitled to statutory defect claims without restriction; the Customer is at all events entitled to demand at its own discretion removal of defects or delivery of a new object or production of a new work. The right to claim compensation for damages, particularly damages in lieu of performance, is expressly reserved.
4. For defect claims, the time limit under the statute of limitations is five years counting from the date of delivery or the date of acceptance by the Customer. For a replacement good delivered under the warranty or for a new work produced under the warranty and for repaired delivery items or services, the time limit with regard to the same defect and with regard to the consequences of defective repair is counted afresh from the date of delivery or the date of acceptance by the Customer. The Customer reserves the right to pursue any further warranty claims which may exist.
5. If the Customer is obligated to take back goods, which it manufactured and/or sold, due to the defectiveness of the contractual product supplied by the Supplier or the service rendered by the Supplier, or if - as a result thereof - the Customer is compelled to accept a lower purchase price or otherwise becomes subject to a claim, then the Customer reserves the right to take recourse against the Supplier, whereby it is not necessary for the Customer to grant a grace period for curing the defect which would otherwise be necessary in order to enforce its defect rights.

§ 7 Product liability; indemnity; third-party liability cover

1. If claims are pursued against the Customer by third parties because of product damage, the Supplier is obliged to indemnify the Customer on first request if, in external relationships, the Supplier is subject to statutory liability for such damage.
2. Within the parameters of its liability for damage within the meaning of the preceding paragraph, the Supplier is also obliged to reimburse any expenses in accordance with sections 683 and 670 of the German Civil Code (BGB) and in accordance with sections 830, 840 and 426 BGB as the result of or in connection with any product recall by the Customer or its customers. The Customer will - as far as possible and reasonable – inform the Supplier about the content and extent of the recall measures and give it an opportunity to comment. Other legal claims are unaffected.
3. The Supplier agrees to maintain liability insurance for personal injury, property damage and financial losses. Unless the parties have agreed otherwise, the coverage per event of damage must be EUR 10 million for personal injury and property and EUR 250,000 for financial losses. In case of the production and/or delivery of goods or the rendering of services under a work contract, the Supplier must also insure the expanded product risk (in particular handling costs, assembly and disassembly costs and other consequential losses due to a defect in the product) with coverage of at least EUR 10 million per event of damage.

Until the prescription (statute of limitations) period has ended, the insurance coverage must be in place for any defect claims and must be evidenced to the Customer upon request. The Customer reserves the right to enforce more extensive claims for compensatory damages.

§ 8 Intellectual property rights

1. The Supplier guarantees that all deliveries and/or services are free and clear of any third party intellectual property rights and that no patents, utility models, copyrights or other third party intellectual property rights will not be infringed due to the delivery or use of the delivery items and services.
2. If any third party intellectual property rights are infringed, then the Supplier, at its expense and at the Customer's choosing, will change or exchange the delivery item or service so that no third party intellectual property rights are infringed any longer, but the delivery item or service will still have the contractually agreed properties and condition, or it will procure a right of use for the Customer by concluding a license agreement. If it is unable to effect such a remedy within the grace period set by the Customer, then the Customer will be entitled to rescind the agreement or reduce the price and – to the extent the statutory requirements have been met – demand compensatory damages.

3. The Supplier shall, upon first demand made, indemnify the Customer and the Customer's customers from any third party claims arising from any intellectual property right infringement and shall bear all costs and expenses arising from or connected to claims asserted by a third party.
4. The Supplier and the Customer shall without undue delay inform one another about any infringement risks and purported infringement cases which become known.
5. The time limit under the statute of limitations is ten years counting from the date of conclusion of the contract.
6. If it can be proven that the Customer issued the only directives to the Supplier regarding the production of the delivery items or the rendering of the services, then the provisions under § 8 subsections 1, 2, 3 and 5 will not apply.

§ 9 Rights to work results

1. Unless the parties have agreed otherwise, the Customer will receive an exclusive, irrevocable and transferable right of use for all types of use, which is unlimited as to time, location or content, to all figures, drawings, documentation, drafts, programs, elaborations and other works developed and/or prepared by the Supplier for the Customer in the context of performing the order (hereinafter referred to as the "Work Results").
2. If any previously existing intellectual property rights or unprotected knowledge (Know-how) of the Supplier are used and this is needed for the Customer to exploit the work results, then the Customer will receive a non-exclusive, irrevocable and transferable right of use to the intellectual property rights or unprotected knowledge (Know-how), which is unlimited as to time and location, to the extent necessary for the contractual exploitation of the work results.

§ 10 Retention of title; provision by the Customer; production resources

1. If the Customer provides parts for the Supplier, the Customer retains title to these. Processing or transformation by the Supplier is carried out on behalf of the Customer. If goods of the Customer which are subject to retention of title are processed together with other objects which do not belong to the Customer, the Customer acquires joint title to the new object in proportion to the value of its object compared with the value of the other objects when they are processed.
2. If the object provided by the Customer is inseparably mixed with other objects which do not belong to the Customer, the Customer acquires joint title to the new object in proportion to the value of the object which is subject to retention of title (purchase price plus VAT) compared with the value of the other objects when they are mixed. If mixture takes place in such a way that the Supplier's object can be regarded as the principal object, it is deemed to be agreed that the Supplier will transfer joint title to the Customer

proportionally; the Supplier will retain sole possession or joint possession on behalf of the Customer.

3. The Customer retains titles to production resources such as models, samples, tools, gauges, drawings, illustrations, calculations, etc., which are supplied by the Customer to the Supplier or produced by the Supplier in accordance with information supplied by the Customer.
4. In the absence of an express written declaration from the Customer that they may be used for other purposes, such production resources may be used by the Supplier only for production of the delivery items ordered by the Customer. Any necessary servicing work and all maintenance and repair work on the Customer's production resources must be carried out in good time by the Supplier at its own expense. It must notify any problems or breakdowns to the Customer without delay. The Supplier must exercise the greatest possible care to ensure that the Customer's production resources are kept in safe custody and are protected against theft, loss and other damage. If the Customer's production resources are lost or damaged, the Supplier must reimburse the damage or loss incurred unless the Supplier proves that such damage or loss would have arisen even under the exercise of greatest possible care by it.
5. The production resources belonging to the Customer must be insured by the Supplier at its own expense - at new replacement value – against fire and water damage and theft. In parallel, the Supplier hereby already assigns all compensation claims under this insurance to the Customer, which hereby accepts such assignment.
6. After completion of the order, the Supplier must on request by the Customer return the production resources to the Customer at its own expense. Until this occurs, the Supplier must carefully keep them in safe custody at its own expense.

§ 11 Assignment

1. The Supplier may not, without the express prior consent of the Customer, wholly or partially assign its contractual claims to third parties. The consent will be deemed to have been granted for advance assignments, which are made in connection with an extended title retention right held by the Supplier's own sub-Suppliers.
2. Even in the event of assignment with the Customer's consent, the Customer reserves the right to offset counterclaims acquired after notification of the assignment.

§ 12 Engagement of sub-suppliers and subcontractors

1. The Supplier may engage sub-suppliers or subcontractors only with the Customer's written consent. Upon request, the Supplier must provide the Customer with information about its sub-suppliers or subcontractors.

2. Even if the Customer grants its consent to the Supplier to engage sub-suppliers or subcontractors, the Supplier must in any case allow any fault on the part of its sub-suppliers or subcontractors to be imputed to it.

§ 13 Offsetting; right of retention; attachment

1. The Supplier may not without the Customer's express consent offset asserted claims unless they are undisputed or have been established with final legal effect.
2. Rights of retention for the Supplier are excluded to the extent that they are not based on the same contractual relationship. The Supplier may otherwise claim rights of retention only if they are undisputed or have been established with final legal effect.
3. If claims of the Supplier against the Customer are attached by creditors of the Supplier, the Supplier is obliged to reimburse the Customer for the resulting expense incurred.

§ 14 Secrecy

1. The Supplier undertakes that all information which is provided by the Customer or other companies in the HETTICH Group in advance of a possible business relationship, in connection with requests for quotation for example, or in the course of an existing business relationship, or which otherwise come to its notice, will be treated by it in the strictest confidence and will not, without a prior written consent of the Customer, be made available by it to third parties, used by the Supplier on its own account or otherwise exploited. The term "information" includes the circumstances of a request for quotation and its contents and also all technical information and drawings, particularly 3-D models and CAD drawings.
2. All information, documentation and know-how provided to the Supplier remain in the exclusive ownership of the Customer. The right to apply for registration of industrial property rights to the protectable content of the information accrues exclusively to the Customer.
3. The secrecy obligation does not apply to information which at the time of disclosure is part of the status of technology in the public domain or is demonstrably part of the Supplier's own status of technology.
4. The Supplier bears full responsibility for compliance with the secrecy obligation by all its employees who have access to the relevant information. This responsibility is also incumbent upon the Supplier with respect to third parties to whom the Supplier - with the prior written consent of the Customer - forwards information received.
5. The secrecy obligation applies even after termination of business contacts with the Supplier; it lapses if and to the extent that the Customer publishes the information itself.

6. Towards third parties, the business relationship with the Customer may be referred to by the Supplier only if this is approved by the Customer in writing.

§ 15 Place of performance and jurisdiction; applicable law

1. In the absence of a contrary stipulation in the order, the place of performance and jurisdiction for all obligations and rights under the contractual relationship is the location of the Customer's registered offices.
2. If the Supplier is a registered trader, the place of jurisdiction for all litigation relating to the contractual relationship or about its origination and effectiveness is determined in accordance with the location of the Customer's registered offices; the Customer is nevertheless also entitled to pursue legal actions against the Supplier in the court with competence for the location of the Supplier's registered offices. This also applies to litigation relating to bills of exchange and cheques.
3. All legal relations between the Customer and the Supplier are governed exclusively by German law. The provisions of the UN Convention of 11 April 1980 on Contracts for the international sale of goods are excluded.