

GENERAL TERMS AND CONDITIONS OF PURCHASE

General terms and conditions of purchase of TechnoAlpin Deutschland GmbH, with head office located in 85256 Vierkirchen – Germany (hereinafter: TechnoAlpin)

1) GENERAL TERMS – SCOPE OF VALIDITY

These General Terms & Conditions of Purchase shall govern the purchasing process between the buyer (hereinafter called “TechnoAlpin”) and the supplier, taking precedence by their mutual agreement over any other agreements of the supplier to the contrary, unless agreed otherwise in writing with TechnoAlpin.

2) PURCHASE ORDERS

Purchase orders shall only be binding if submitted in writing on a printed form with an order reference. The price quoted in the purchase order shall be binding. The prices shall be quoted exclusive of sales tax and, unless agreed otherwise, inclusive of packaging and transport to the place of performance.

3) PERFORMANCE

The supplier is entirely responsible for the quality of the products supplied, which must meet all requirements of the order. Unless otherwise stated, the products supplied must comply with standard professional practice at the time of the order and the current state of technology. TechnoAlpin reserves the right to verify fulfillment of the supply of the order at any time, through a representative at the production site or plants of the supplier, its authorized sub-suppliers, or on site.

TechnoAlpin performs regular assessment of its suppliers, examining parameters including, for example, certifications, delivery time frames, quality and quantity compliance, and claims management. Prior to issue of each new order, TechnoAlpin examines the certification status of the suppliers, which represents a determining factor in their selection.

4) QUALITY OF PRODUCTS SUPPLIED

The supplier is entirely responsible for the quality of products supplied and must guarantee compliance by performing appropriate inspections with adequate, properly calibrated tools and by providing certificate evidence where requested in the technical documentation issued by TechnoAlpin. When supplying new items, TechnoAlpin implements an acceptance procedure for initial samples prior to general production. This procedure requires supplier verification of all technical specifications and provisions detailed in the documentation, which includes the material and its mechanical properties. Only following approval of the sample by TechnoAlpin is the supplier authorized for general production.

DEVIATION AUTHORIZATION: Prior to the first delivery, if the supplier identifies that the items produced differ from the specifications defined by TechnoAlpin, it may request approval of the deviation. TechnoAlpin assesses the degree of deviation and, if it does not negatively affect the use and function of the item, or imply additional reprocessing costs for TechnoAlpin, the latter may authorize its delivery. If the supplier obtains authorization, it may proceed with delivery of goods, attaching written authorization to the transport document.

5) DOCUMENTATION AND REGULATIONS

The supplier is responsible for verifying that the supply is compliant with applicable EU directives (e.g. Pressure Equipment Directive 2014/68/EU, Machinery Directive 2006/42/EC, Low Voltage Directive 2014/35/EU and Electromagnetic Compatibility Directive 2014/30/EU), with applicable regulations and the highest safety standards. Observance of these directives requires preparation of an EU Declaration of Conformity, CE marking, and user manual. Suppliers of chemical substances or preparations are required to provide TechnoAlpin with a safety data sheet pursuant to Article 31 of Regulation (EC) no. 1907/2006 (REACH). The safety data sheet must indicate the individual responsible for issue on the market of the substance or preparation, their full address, telephone number, and email address. The safety data sheets must be delivered or sent in digital format at the same time as the goods enter the Production Unit.

6) SUBCONTRACTORS

The supplier may not subcontract the purchase order or part thereof, except in cases where TechnoAlpin has given prior written consent. Should such prior approval be issued by TechnoAlpin, the supplier shall be required to relay all the specifications, especially those related to material quality, to the subcontractor(s).

Notwithstanding the above, the supplier shall be solely answerable to TechnoAlpin for the execution of the subcontracted purchase orders.

7) WARRANTY

Unless agreed otherwise or quoted otherwise in the purchase order by TechnoAlpin, a warranty of 24 months shall be granted on deliveries from the time of inspection and acceptance of our systems. The supplier shall be required to repair or replace faulty supplies immediately at its own expense on site throughout the term of warranty, insofar as the shortcoming is attributable to a material defect, production error or faulty design. Should the supplier fail to respond within five days of being called out by TechnoAlpin then TechnoAlpin may make alternative arrangements for the defects to be remedied. The supplier shall be billed for all costs incurred in this respect. After repair, the goods shall be covered by a new warranty, the term of which shall be equal to the original period of warranty. Notwithstanding the terms set out above, the supplier shall be bound by the terms of statutory warranty in case of hidden defects.

8) PRODUCT LIABILITY

In case of damage to products, the supplier indemnifies TechnoAlpin from any third-party claims for damages. The supplier shall be fully liable for all expenses incurred in this regard (e.g. product recalls). This shall not affect other statutory claims. The supplier undertakes to take out adequate product liability insurance and to maintain the cover throughout the term of contract including the warranty period. TechnoAlpin shall be entitled to ask the supplier for a copy of the applicable insurance policy at any time.

9) DELIVERY TIMES & CONTRACTUAL PENALTIES

TechnoAlpin reserves the right to cancel the purchase order if the delivery deadline cannot be met, except in legitimate cases of force majeure which have been accepted by TechnoAlpin as such. Unless agreed otherwise, in cases where the delivery time exceeds the lead time specified in the purchase order, the supplier undertakes to pay a penalty of 2% of the total purchase order value for every week of delay or part thereof. This contractual penalty shall be capped, however, at 10% of the total purchase order value.

Contractual penalties may be imposed independently of other measures, especially in case of cancellation or claims for damages arising as a consequence of the processing of the purchase order. Under no circumstances may a contractual penalty be regarded as compensation for damages suffered by TechnoAlpin for which the supplier is liable.

10) PACKAGING

All goods which are to be delivered packaged must be supplied in such a way that the forwarding agent cannot elude liability on account of inadequate packaging. In any event, a legal disclaimer of this kind can only be issued under the responsibility of the supplier.

11) SPARE PARTS

The supplier shall be required to keep a supply of spare parts for a period of at least 10 years. Should the supplier stop making the spare parts, the latter undertakes to give TechnoAlpin six months' notice of the discontinuation so as to allow time for a final purchase order to be made.

12) TRANSPORT

Every consignment must be transported to the place of delivery in accordance with the terms set out in the purchase order. Notice shall be given of every consignment by the issue of a delivery note in duplicate. One delivery note shall be enclosed with the consignment and the second copy of the delivery note shall be sent by normal post.

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The delivery note shall include the description of the goods as specified in the purchase order and must contain the full TechnoAlpin reference number. The delivery note must be sent to TechnoAlpin on the day of dispatch. TechnoAlpin shall not accept any liability whatsoever for rejected goods or for incorrect deliveries. The risk shall pass from the supplier to TechnoAlpin at the place of performance specified in the purchase order.

Personnel employed by TechnoAlpin shall have sole authority to take delivery of the goods unless authority to this end has been assigned to another party. The authorized receiving agent must record the conditional acceptance on the delivery note and duly inform the supplier of this within an appropriate time period. The supplier shall bear the transport costs, unless agreed otherwise. The supplier shall be responsible for organizing the transport and shall inform TechnoAlpin of the date and time of the impending arrival. Unless agreed otherwise, the delivery shall take place at the risk of the supplier even if the latter does not bear the transport costs. The supplier therefore undertakes to take out insurance for the goods in transit.

13) BILLING

The description on the invoice of the goods supplied must correspond to the order form and the full TechnoAlpin reference. Partial invoices are only accepted with prior written authorization.

TechnoAlpin makes payment at the beginning or middle of the month. If the payment date falls on a Saturday, Sunday or other non-working day, commercial payments are brought forward to the day immediately before or postponed to the day immediately after. In the event of supply defects, TechnoAlpin has the right to suspend payment pending further investigation.

Faced with supply defects, TechnoAlpin performs detailed analysis of the costs of non-compliance, evaluating whether to charge this to the supplier. TechnoAlpin is also authorized to charge a fixed sum for management expenses (e.g. notification of claim, delivery notes, etc.) of € 150.00 (one hundred fifty euro) for any inconvenience suffered.

14) CLAIMS AND NON-COMPLIANCE

In the event of supply defects, TechnoAlpin shall launch a claim procedure with the supplier. If the claim arises after delivery of goods, the supplier must take all actions necessary to resolve the claim with minimum damage. Using the form prepared according to method "8D Problem Solving", the supplier must promptly inform TechnoAlpin in writing of all immediate measures adopted and subsequently perform a cause analysis, establish corrective actions to be introduced, and evaluate their effectiveness. Report 3D must be completed and sent to TechnoAlpin within 48 hours, and report 8D within 30 days. TechnoAlpin shall be available to assist the supplier in preparing the forms. The goal of this procedure is to handle the claim as quickly as possible and guarantee the ability to deliver.

15) TERMS OF PAYMENT

The prices on which purchase orders are based are fixed prices and shall be binding until such time as the supplier has met the relevant contractual obligations. Due dates for payments and payment arrangements, including any discounts, shall be contained in the payment terms on the purchase order form. The payment date shall have no influence on the statutory rights of TechnoAlpin in case of defects.

16) CONFIDENTIALITY & THIRD-PARTY PROPERTY RIGHTS

The supplier undertakes to maintain secrecy in respect of all information received either in writing or verbally from TechnoAlpin as part of this contract and not to disclose it to third parties. The supplier shall also be required to abide by this duty of confidentiality for a further five years following the termination of the contract.

The duplication or circulation of any TechnoAlpin documents or their use by third parties shall be strictly subject to prior written approval. The supplier shall be required to indemnify TechnoAlpin from any third-party claims in relation with its delivery, especially in relation to patents, licenses, trademarks and registered designs, etc.

17) ADVERTISING

The use of our purchase order for direct or indirect advertising purposes shall be subject to our prior written authorization. Insofar as consent has been granted, the supplier undertakes to adhere to the relevant formalities and to comply with the other requirements imposed in respect of advertising.

18) TRANSFER OF OWNERSHIP

The transfer of ownership of the delivery shall take effect at the time of delivery, provided that the delivery has taken place as per the specifications set out in the purchase order. Any clauses on reservation of title set out by the supplier shall be accepted in isolated cases only and shall be strictly subject to the prior written agreement of TechnoAlpin.

19) LIABILITY & INSURANCE

The supplier shall be liable to TechnoAlpin and to third parties for personal injury, property damage and financial losses which are caused by its actions or by the actions of its subcontractors. To this end, the supplier shall hold business liability insurance with a minimum insurance of EUR 4,000,000.00 (in words: four million/00) to cover all liabilities to third parties, including liabilities of TechnoAlpin and all injuries, including property damage and financial losses suffered in connection with or on the job, and shall at the same time indemnify TechnoAlpin from all claims.

The supplier shall be required to impose the same obligations on each subcontractor in accordance with the terms of the business liability insurance policy. The supplier shall be required to attach a copy of any document to the confirmation of order which shows that the level of insurance requested above has been duly taken out and shall be maintained. Should the supplier fail to take out the required insurance, this shall constitute grounds for the deferment of the payment of the invoices to the supplier or for the cancellation of the purchase order but shall not exempt the supplier from any legal consequences.

20) REVOCATION, TERMINATION & ORDER CANCELLATION

TechnoAlpin reserves the right to call a halt to the purchase order at any time. In this case, the parties must come to an agreement as to the amount of compensation to be paid to the supplier although there is a mutual understanding that this compensation must not exceed the additional expenses incurred by any such discontinuation.

TechnoAlpin also reserves the right to cancel the purchase order or part thereof if the supplier fails to meet its obligations or fails to respond to a formal demand in this respect. Should TechnoAlpin feel constrained to cancel the purchase order or part thereof owing to force majeure or circumstances imposed by a customer, the amount granted in compensation would not exceed the expenses specifically incurred by the supplier for this purchase order up until the time of cancellation. Due account would also be taken of any installments already paid.

21) ORDER OF PRECEDENCE OF DOCUMENTS

The following order of precedence shall apply in case of contradictions between the contractual documents: Purchase order form and technical specification; General Terms & Conditions of Purchase; quotation issued by the supplier.

22) PLACE OF PERFORMANCE, APPLICABLE LAW & PLACE OF JURISDICTION

The place of performance shall be the registered office of TechnoAlpin Deutschland GmbH in Vierkirchen or the place specified by TechnoAlpin in the purchase order. All purchase orders issued by TechnoAlpin shall be governed by German law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The court having jurisdiction in Munich shall be the sole place of jurisdiction for any disputes regarding the interpretation, application and/or execution of this contract.

Vierkirchen, April 4, 2019

