

General Terms and Conditions of Purchase and Procurement (As of October/2022)

I. Scope of Application

1. The following general terms of purchase and procurement (“**GPTC**”) shall be valid for all offers, declarations of acceptance and contracts of *Dradura Group GmbH* and *Dradura Altleiningen GmbH* and shall apply to the supply of goods and/or the provision of other services of any type between the supplier of such goods respectively the provider of such services (“**Contractor**”) and us.
2. To the extent not otherwise provided for under express individual agreement, the above legal relationships between the Contractor and us are exclusively based on the provisions of these GPTC, provided the Contractor is an entrepreneur within the meaning of Section 14 BGB (German Civil Code) or a person under public law. As far as legal transactions of a related nature are concerned, this also applies to all future business relationships between the Contractor and us, even if the validity of the provisions of these GPTC is not expressly agreed therein again. Deviating or conflicting regulations of the Contractor, such as their general terms and conditions of business or sale and delivery, shall only apply if expressly accordingly acknowledged by us in writing prior to conclusion of the relevant agreement; further separate objection by us is not required.

II. Offers, Orders, Contract Conclusion

1. Offers and cost quotes of the Contractor are made free of charge and do not constitute any obligations on our part.
2. In is offer, the Contractor will expressly point out any deviations from our request and, additionally, offer alternatives to us which are technically or economically cheaper than the request.
3. If we submit a binding offer and this is not accepted by the Contractor within the validity period specified in the offer or, in the absence of such information, within a period of two (2) weeks from receipt of the offer, the offer expires. The offer and these GPTC shall be deemed to have been accepted by the Contractor in their entirety and without modification if the Contractor accepts our offer.
4. Unless the contractual parties have individually agreed otherwise before placing the order, only orders placed in writing are binding on our part and verbal agreements, including ancillary agreements, changes or additions to the order, require written confirmation on our part for their effectiveness.
5. Orders placed electronically by us that do not exceed an order value of EUR 5,000.00 are – unless there is a legal obligation to act in written form – also effective without a handwritten signature.
6. The order of precedence of the provisions applicable to the deliveries and services commissioned by us, in the absence of a deviating individual legal agreement, is as follows: (a) our order; (b) specification or tender specifications; (c) present GPTC; and (d) Contractor's offer.

III. Time of Delivery and Performance

1. The dates a/o deadlines specified in the order for delivery and performance are binding. For the observance of deadlines a/o deadlines in the case of deliveries of goods, the delivery of the defect-free goods to us during normal business hours with the necessary shipping documents to the place specified in the order is decisive.
2. The unconditional acceptance of delayed deliveries or services does not constitute a waiver of the claims for compensation to which we are entitled due to the delayed delivery.
3. The Contractor is obliged to inform us immediately in writing if circumstances occur or become apparent to him from which it follows that the agreed dates a/o deadlines cannot be met. The agreed dates a/o deadlines will not be extended by this notification. If the Contractor fails to notify us, it may not subsequently invoke these circumstances against us.
4. Premature delivery or service of the Contractor – in whole or in part – requires our prior consent.
5. In the event of default on the part of the Contractor, we shall be entitled to the statutory claims. Without prejudice to these claims, in the event of default on the part of the Contractor, we shall be entitled to demand a contractual penalty of two per mill (0.2%) of the price for the value of the order affected by the delay – limited to a maximum of five per cent (5.0%) of that price – for each working day of the delay in delivery or service. Contractual penalty payments are to be offset against possible further claims for damages.
6. If the Contractor does not deliver or perform even within a reasonable grace period set by us for fulfilment, we shall be entitled to commission a third party with the fulfilment and to demand reimbursement from the Contractor of the additional expenses and costs necessary for this purpose. In all other respects, we have the right to claim damages instead of performance, whereby our right to withdraw from the contract remains unaffected. As soon as we procure a replacement by self-performance after fruitless expiry of the grace period or demand damages instead of performance, the Contractor's right to performance or our obligation to accept shall expire.

IV. Deliveries, Transfer of Risk, Default of Acceptance, Packaging, Export

1. Unless expressly agreed otherwise, deliveries shall be made "free domicile" (DDP destination according to INCOTERMS 2020) to the place specified in our order. If the place of destination is not specified and nothing else has been agreed, delivery must be made to our registered office at Talstraße 2, 67317 Altleiningen, Germany. The place of destination is also the place of performance.

2. The risk of accidental loss and accidental deterioration of the goods shall pass to us upon handover at the place of performance. Insofar as acceptance has been agreed, this shall be decisive for the transfer of risk.

3. If we are in default of acceptance, the Contractor may demand compensation for its additional expenses in accordance with the statutory provisions.

4. The goods must be packed properly and in environmentally friendly materials that do not pollute the material recycling. In all other respects, the statutory packaging regulations shall apply. The costs for packaging must be listed separately in the offer and invoice at cost price. In the case of delivery of dangerous goods, the Contractor must pack, label, and ship them in accordance with the relevant national and international regulations and particularly fulfil all obligations incumbent on it as a supplier in accordance with the European Chemicals Regulation for the registration, evaluation, approval, and restriction of chemicals - EC Regulation 1907/2006/EC - regarding the delivery of the goods.

5. At our request, the Contractor is obliged to provide us immediately and free of charge with the documents and declarations required for any export of the delivery to domestic and/or non-European countries, in particular declarations of origin, health certificates and export control classifications. Delays due to export inspections or approval procedures do not constitute a delay on our part.

V. Prices, Retention of Title, Set-off and Retention Rights

1. Unless expressly agreed otherwise, the prices owed are fixed prices. Fixed prices also include expenses, external costs, travel expenses and expenses as well as packaging and delivery "free domicile". Sketches and drafts are also compensated with fixed prices. Any additional costs necessary for the fulfilment of services shall be borne by the Contractor. Should the Contractor reduce its prices and/or improve the conditions in the period between order and delivery, the prices and/or conditions valid on the day of delivery shall apply.

2. The transfer of ownership of the goods to us must take place unconditionally and without regard to the payment of the price. If we accept by way of individual agreement an offer of the Contractor for transfer of ownership conditioned by the purchase price payment, the retention of title expires at the latest with payment of the purchase price for the delivered goods. We shall remain authorized, in the ordinary course of business, even before payment of the purchase price, to resell the goods with advance assignment of the resulting claim; alternatively, the simple retention of title extended to resale shall apply. In any case, all other forms of retention of title are excluded, particularly the extended retention of title, the forwarded retention of title and retention of title extended for further processing.

3. The Contractor shall only be entitled to offset if the counterclaim is undisputed or has been legally established. The Contractor is only entitled to exercise a right of retention to the extent that his counterclaim is based on the same contractual relationship.

4. An assignment of the claims of the Contractor is only permitted with our consent.

VI. Invoices, Payments

1. Invoices must be sent in a simple copy stating the invoice number, order number, quantity, price, and other assignment features (in particular, our article number) in the original to our billing address specified in the order. The invoices are to be sent separately from a delivery of goods. For deliveries from territories outside the customs territory of the EU, a copy of the invoice or a pro forma invoice must be attached to the delivery of the goods.

2. Unless otherwise agreed, payment periods shall commence from the date of receipt of invoices that meet the requirements under the preceding Section VI.1 GPTC.

3. Payment is subject to the determination of the conformity of the contract and completeness of the delivery a/o service.

4. Unless otherwise expressly agreed, payment of the price is due within thirty (30) days of the start of the payment period in accordance with Section VI.2 GPTC. If our payment is made within fourteen (14) days, the Contractor shall grant a three per cent (3%) discount on the net amount of the invoice.

5. In the case of bank transfer, payment shall be deemed to have been made on time if the transfer order is received by the credit institution in sufficient time to expect timely receipt of payment under normal circumstances; delays of the credit institutions involved in the payment process are not attributable to us.

6. Our payments do not imply any acknowledgement of the conditions and prices stated in the invoice and do not affect our rights due to improperly rendered delivery a/o service, our inspection rights, and the right to object to an invoice for other reasons.

VII. Force Majeure

Force majeure, in particular unrest, official measures and other unforeseeable, unavoidable, and serious events release the contractual parties from the delivery and performance obligations for the duration of the disruption and to the extent of its effect. The contractual party affected shall immediately inform the other contractual party in writing of the occurrence of force majeure and its expected duration. The contractual parties will adapt their obligations to the changed circumstances in good faith. However, we are entitled to withdraw from the contract without setting a prior deadline, insofar as our interest in performance has ceased to exist as a result of the occurrence of force majeure.

VIII. Warranty, Notification of Defects, Liability for Defects

1. The Contractor warrants that the deliveries and services are free of material defects and defects of title, which have agreed a/o guaranteed quality, have been professionally and appropriately and qualitatively flawlessly created, comply with the agreed product or service specifications, are suitable for the use assumed after the order and comply with the agreed and legal requirements specified in these terms and conditions. If the delivery or service deviates from the aforementioned requirements, it is defective.
2. The statutory provisions (sections 377, 381 HGB, *German Commercial Code*) apply to the commercial obligation to inspect and give notice of defects with the following proviso: Our obligation to inspect is limited to defects that are openly recognizable during our incoming goods inspection under external inspection, including the delivery documents, as well as during our quality control in the random sampling procedure (e.g., transport damage, incorrect and short delivery). Insofar as acceptance has been agreed, there is no obligation to inspect. In all other respects, it depends on the extent to which an investigation is feasible in the ordinary course of business, taking into account the circumstances of the individual case. The obligation to give notice of defects discovered later remains unaffected. In all cases, our complaint (notification of defects) shall be deemed to be immediate and timely if it is received within ten (10) calendar days by the Contractor.
3. Unless otherwise agreed in an individual contract, the warranty period is at least twenty-four (24) months from the transfer of risk in accordance with Section IV.2 GPTC, unless a longer statutory period applies.
4. The Contractor's warranty obligation shall be governed by the statutory provisions, unless otherwise stated in the following paragraphs 5 to 8.
5. In the event of defective delivery, the Contractor shall, at our discretion, provide a replacement free of charge, grant a price reduction in accordance with the statutory provisions on the reduction or remedy the defect free of charge. In urgent cases, we are entitled - upon prior consultation with the Contractor - to remedy the defects ourselves at the expense of the Contractor or to have them carried out by a third party or otherwise procure a replacement. The same applies if the Contractor is in default with the fulfillment of its warranty obligation.
6. The Contractor shall be liable for replacement deliveries and repair work to the same extent as for the original delivery item, i.e., also for transport, travel and labor costs, without limitation. The warranty period for replacement deliveries begins at the earliest from the transfer of risk in accordance with Section IV.2 GPTC of the replacement delivery.
7. If a limit quality value for the delivery has been agreed with the Contractor, we are entitled to reject the delivery completely if the agreed limit quality value is exceeded or to inspect it completely at the expense of the Contractor. If the limit quality value is adhered to, our claims due to hidden defects discovered later remain unaffected.
8. Insofar as the Contractor is responsible for product damage, it shall indemnify us on first request from all claims of third parties that are raised due to defects or product damage of its delivery due to its causal part. The Contractor assures the existence of an appropriate product liability insurance. The Contractor is also obliged to reimburse reasonable costs for a recall campaign based on product liability law. A notification of the statement will be made by us as soon as possible to the Contractor.

IX. Third Party Rights

1. The Contractor guarantees that there are no property rights of third parties that conflict with the intended use of the contractual deliveries and services by us and that no further licenses, approvals, consents or payments in connection with property rights of third parties are required thus that we can use the contractual deliveries and services as provided for in the contract or in the order.
2. The contractual parties must inform each other immediately of any claims raised or threatened regarding the rights of third parties and inform the other contractual party immediately if they become aware of violations or alleged violations of the rights of third parties in connection with the contractual deliveries and services.
3. Upon first written request, the Contractor shall indemnify us without restriction against all claims, demands, costs, encumbrances, losses, claims, damages and expenses arising from the infringement or alleged infringement of the property rights of third parties. In addition to these obligations, the Contractor may, at its own discretion and at its own expense, either: (a) modify or replace the deliveries a/o services in such a way as to avoid infringement or alleged infringement of third party rights, but the services shall continue to comply in all respects with the contractually agreed requirements; or (b) obtain the right for us to (further) use the deliveries a/o services in accordance with the contractual agreement.
4. If the Contractor does not remedy the violation of the rights of third parties within a reasonable period of time, we shall be entitled, at our discretion, to withdraw from the contract and to assert damages or to a corresponding reduction in the consideration.

X. Provisions and Means of Production

1. We reserve ownership rights and copyrights to all drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and aids as well as software provided to the contractor – also in electronic form – in connection with the conclusion of a contract. These may only be used for the production of the deliveries a/o services ordered by us.
2. Substances and parts provided by us shall be stored, designated, and managed separately free of charge. The processing of fabrics and the assembly of parts is done for us. It is agreed that, in proportion to the value of the provision to the value of the entire product, we are co-owners of the products manufactured using our substances and/or parts, which are stored for us by the contractor in this respect.
3. The Contractor shall not be entitled to a right of retention, for whatever reason, in respect of the supplies. Supplies and reproductions thereof may not be made accessible to third parties (including subcontractors).

XI. Confidentiality

Each contractual party shall use all documents and knowledge which it receives from the other contractual party from the business relationship only for contractual purposes and shall keep secret from third parties with the same care as its own corresponding documents and knowledge if there is an obvious interest in their secrecy. They may only be disclosed to third parties with the prior written consent of the other contractual party. The confidentiality obligation shall continue to apply even after the execution of this contract; it expires if the knowledge contained in the illustrations, drawings, calculations, software, and other documents provided has become generally known. This obligation begins with the first receipt of the documents or knowledge and ends sixty (60) months after the end of the business relationship. It does not apply to documents and knowledge that are generally known or that were already known at the time of receipt without any obligation of secrecy, or that are subsequently transmitted by a third party entitled to pass them on or that are developed without the use of the documents or knowledge to be kept secret.

XII. Rescission, Termination

1. In the event of a breach of contractual obligations by one contractual party, the other contractual party is entitled to withdraw from the contract under the statutory conditions.
2. A mutual right of withdrawal regarding the contract that has not yet been fulfilled shall apply in particular to cases of cessation of payments or the opening of insolvency proceedings, the refusal to fulfil such proceedings for lack of assets or the initiation of comparable proceedings against a contracting party. If the Contractor is affected by one of the above events, he will support us to the best of his ability in the relocation of the production of the goods to us or a third party, including a licensing of industrial property rights necessary for the production on terms customary in the industry.
3. If the contract concluded between the contractor and us is a continuing obligation, each contractual party is entitled, in particular in the event of a breach of essential contractual obligations by the other contractual party, which – in the case of remedial breaches of duty – are not remedied within a reasonable period of time despite a written warning, entitled to terminate the continuing obligation without notice for good cause.

XIII. Form, Place of Performance, Place of Jurisdiction, Applicable Law, Partial Invalidity

1. "Written" within the meaning of this GPTC means text form (email, fax, or machine-generated letters), "written form" means a document signed by hand. Amendments or additions to this GPTC, including this Section XIII.1 GPTC as well as the termination or the consensual cancellation of a contract require written form. Other declarations or notifications require to be written.
2. The place of performance for all liabilities of the contracting parties arising from the contract, including the obligation to remedy the defect and the reciprocal restitution obligations in the event of withdrawal, is our place of business.
3. The place of jurisdiction for all disputes arising from or in connection with the delivery is exclusively Altleiningen, Germany, insofar as the Contractor is a merchant. For the Contractor, this agreement on the place of jurisdiction shall apply exclusively under the aforementioned conditions. In addition, we are entitled to bring an action against the contractor before the courts responsible for the Contractor's place of business.
4. The legal relationships between us and the Contractor are subject to the law of the Federal Republic of Germany. The application of the *United Nations Convention on Contracts for the International Sale of Goods* (CISG) is excluded.
5. Should any provision of these GPTC or the other agreements made be or become invalid, this shall not affect the validity of these GPTC or the other agreements made. Instead of the invalid provision, the corresponding statutory provisions shall apply.