

General Terms and Conditions of Purchase

I Applicability

1. These terms and conditions of purchase apply to orders placed by us. We are not obligated by any contrary conditions of sale and supply issued by our suppliers even if we have not expressly refuted such conditions.
2. Our terms and conditions of purchase also apply in the event that we accept a delivery, even if we are aware of terms in the supplier's terms and conditions that are contrary to or at variance from our own terms of purchase.

II Placement of order

1. Only purchase orders in writing, and properly signed, are valid.
2. You must confirm purchase orders within eight (8) days from the date the order is placed.
3. We are entitled to revoke our order without penalty if you do not confirm it, without alteration, within the above-stated period.
4. A confirmation of order containing any other terms and conditions is not deemed to be a fresh offer in accordance with article 150, section 2 of the BGB (German Civil Code) and will become binding on us only once we have accepted the changed conditions in writing.

III Prices

1. The prices stated on our purchase order are definitive and are understood to be free to our premises.
2. Any additional charges must be expressly confirmed by us in writing in order to be effective.
3. The above-stated fixed prices include all disbursements made in connection with the goods and services supplied by you.

IV Procedure and Delivery

1. You may subcontract the purchase order only with our agreement, unless the order concerns the supply of parts that are standardly available on the market.
2. Call-offs are binding as regards the type and quantity of the called-off goods, and the delivery lead time is also binding.
3. Our agreement is required for you to make partial deliveries.
4. In the case of devices and equipment, a technical description and user instructions must be supplied free of charge with the goods.
5. Any goods supplied not within the terms of the contract will be returned at the expense and risk of the supplier. Returned goods remain our property until the arrival of a replacement delivery or until we have been reimbursed for their cost.
6. Ownership of the supplied goods is transferred to us upon payment. No extended or variant reservation of title is accepted.
7. In the event that the supplies are repeatedly made in breach of the contract, we are entitled to cancel the contract.
8. In the event that the contractor suspends its payments, or if insolvency proceedings are taken over its assets, or an out-of-court debt management arrangement is lodged against the contractor, DEPRAG is entitled to cancel the contract. Where the contract is not cancelled, DEPRAG is entitled to withhold a minimum of 5% of the remuneration as security against contractual claims until the contracted period of guarantee has expired.
9. In the case of software products, the duty to supply is deemed to have been fulfilled only once the complete documentation (relating to the system and the user documentation) has been handed over. Furthermore, in the case of programs written especially for us, the program must also be supplied in source format.

V Delivery lead time and delayed deliveries

1. The agreed delivery time is an essential component of the contract. The supplier must inform us without delay of all circumstances of which the supplier may become aware and which could affect its ability to maintain the delivery date.
2. Should you fail to deliver the goods or services within an extended period set by us, we are entitled, without further notice, to refuse acceptance of the goods or services, to cancel the contract or to demand compensation for non fulfilment. We are also entitled to cancel the contract even if you have not caused the delay.
3. In the event that the contractor is late in supplying the goods or services, we are entitled to claim, for every calendar day of delay, compensation in the amount of 0.1% of the value of the agreed goods or services, however to a maximum of 5%. This applies even in the event that we cancel the contract.
4. Any additional costs caused by your delay, in particular caused by the need to obtain cover our requirements from elsewhere, are at your expense.
5. The same applies to a situation in which you formally suspend your payments, and in the event of an application for, or opening of, insolvency or bankruptcy proceedings against you, or an out-of-court debt-management arrangement is made against you.
6. We reserve the right to demand an agreed contractual penalty in the event of breach of contract (as stated in article 341 of the BGB).

VI Despatch

On despatch a delivery note containing our purchase order number must be sent to us in duplicate by post or by email. The consignment itself must contain a packing note.

VII Packaging

The supplier is to supply the packaging. Returning it freight paid entitles us to reduce the value of the packaging as stated on the invoice by two thirds.

VIII Payment

1. Payment is made within 60 days following receipt of invoice, without discount, or within 14 days with 3% discount. The point of payment is the day upon which our bank receives the order to make the transfer.
2. Payment does not signify recognition that the goods or services have been supplied in accordance with the contract. In the event of faulty or incomplete consignment of goods or services, we are entitled, notwithstanding any other rights pertaining to us, to withhold reasonable payments due and arising from our business relationship until the delivery has been correctly executed.
3. We are entitled to rights of set-off and rights of retention as provided by statute.
4. No right of assignment of your claims against us to third parties is permitted.

IX Export controls

When delivering goods which are subject to export restrictions, export licences or controls in either the country of manufacture or country of consignment, the supplier is obligated to provide the DEPRAG purchasing department with the following information, without explicit request:

- Position number in the dual use goods list in accordance with Appendix I of the Directive (EC) no. 428/2009
- Information regarding the number of built-in parts from the USA, which are subject to permit requirements, provided that it concerns goods which are subject to export controls according to US law (Export Administration Regulation – EAR)
- Details of contact person in case of queries relating to control of exported goods

In the case of deliveries of goods which are classified as dual use goods, the supplier is obligated to clearly and legibly print the following text on all business documents (invoices, quotations, order confirmations): **DUAL USE GOODS**.

X Notification of defects

1. The goods supplied must be in compliance with our specifications in every respect with regard to their quality and design. A notification of defects within the meaning of article 377 of the Commercial Code is deemed to have been made where obvious faults have been notified to the supplier within a period of 3 weeks following receipt of the goods and invoice, and hidden defects within three weeks of their discovery.
2. We are entitled to require a credit note or a replacement in perfect condition, even where payment for the supplies has already been made. In such cases, freight, labour and other costs are payable by the supplier.
3. We hold unrestricted statutory claims for defects; in any event we have the choice to demand from the supplier either that the defect be rectified or that a new item be supplied.
4. We expressly reserve the right to compensation, in particular the right to compensation in place of performance of the contract.
5. In urgent cases (in particular where operating safety would be at risk, or in order to prevent very high damages), in order to remedy minor defects, and also in the event of a delay on your part to remedy the defect, we are entitled, following prior notification to you and on expiry of a short time limit appropriate to the situation, to remedy the defect ourselves or have a third party remedy the defect, as well as any damages incurred as a result, at your expense.
6. This also applies in the event that you supply the goods or services late and we need to remedy the defect of deficiency immediately in order to prevent ourselves falling into arrears of supply.
7. In all other respects our statutory rights remain unaffected.

XI Exemption in the event of material and legal deficiencies

You release us from any claims that third parties - for whatever reason in law - may institute against a material or legal deficiency or other defect in a product supplied to us by you, and you will reimburse us with the costs arising from any assertion of legal rights by us in this respect.

XII Protection of engineering designs, technical documentation, industrial property rights, confidentiality, etc.

1. Any technical documentation, tools, works standards, production materials etc. made available by us to you remain our property; all trademark rights, copyrights and other protected intellectual property rights remain our property. You must return them, including any copies you have made, to us without being specifically requested to do, immediately after the order has been executed unless you are authorised to do so in order to assert a right of retention.
2. You may use the stated objects only in order to execute the order, and you must not transfer them to unauthorised third parties, or otherwise allow access to them.
3. The stated objects may be duplicated only to the extent that is necessary in order to carry out the order.
4. The contractor may refer to our business relationship in advertising material, only with our written agreement.
5. In the case of contracts for software, all software licences and installation CDs must also be supplied. Documentation for computers and terminals implemented within the operative materials must be supplied. The documentation must give full details of the hardware and software implemented, including all necessary interfaces and drivers. It must be possible to replace a computer without problem. Full documentation must be supplied as follows: minimum 1 CD-ROM (as agreed), if required in paper form.
6. In the event of orders for designs, web layouts, web sites etc, all intellectual property is transferred from the supplier / author, to DEPRAG, including sales, licensing and utilisation rights, upon completion of the contract.

XIII Materials provided by us

1. Materials provided by us remain our property and must be safeguarded by you, without charge and using the due care expected of a proper business, kept apart from your own materials and objects, and labelled as our property.
2. Such materials must be used only to execute our own order.
3. You must compensate us for any damage that may occur to the materials we have supplied.
4. If you are processing or restructuring the materials supplied such activity is carried out on our behalf. We become the immediate owners of the new object that has been created. If the materials we have supplied form only a part of the new objects, we hold ownership of the new objects in proportion to the value of such supplied materials in the new object.

XIV Confidentiality

1. You are under an obligation to treat all confidential business and technical information, of which you become aware as a result of the business relationship, as business secrets, and not to pass them on to any third party.
2. Where you are manufacturing for third parties, our prior written consent is required in the event that you exhibit any products produced especially for us, particularly where they have been manufactured in accordance with our plans, drawings or other requirements, or you publish information concerning the purchase orders and services, or make any reference to this order to third parties.

XV Industrial property rights of others

The supplier is liable for ensuring that no patents or industrial property rights of third parties in Germany or outside Germany, are breached by its goods supplied or by our utilisation thereof. Any costs incurred from legal proceedings will be charged to the supplier.

XVI Place of performance and jurisdiction

1. The place of performance and jurisdiction for all performances arising from the order is Amberg/Upper Pfalz.
2. The law of the Federal Republic of Germany applies to all legal relationships between us and the supplier. The United Nations Convention on Contracts for the International Sale of Goods (CISG) and the referral regulations under German International Private Law do not apply.

XVII Miscellaneous

In the event that any of the clauses in these General Terms and Conditions of Purchase be or become ineffective in full or in part, the effectiveness of the remaining clauses, or the remaining portion of such clauses, are unaffected.

Amberg, 15.06.2018