

§ 1 General terms

1. The following terms and conditions of purchase of Cohline GmbH, Schlauchleitungssysteme (hose assemblies), Dillenburg, are valid for all agreements, orders and performances of our suppliers. We exclusively order supplies and performances on the basis of our terms of purchase. These ones are valid for all present and future business relations. Deviating, contradictory or additional general terms and conditions of business on the part of any supplier will not become part of the agreement – even in case of knowledge or unreserved acceptance of deliveries and performances of the supplier – unless their validity is expressly approved in writing.

2. The ceding or mortgage of rights resulting from all agreements made with us is only admissible with our expressive written approval.

3. Our general terms of purchase are only valid with regard to entrepreneurs in the sense of § 310 para. 1 of the German Civil Code.

§ 2 Offer, offer documents

1. The preparation of documents is free of charge for us, not binding and has to be realized in the written form.

2. We reserve a right of property and copyright regarding illustrations, drawings, calculations and other documents. Without our expressive written approval, they cannot be made accessible to third parties. They are to be employed exclusively for the production in compliance with our order. After termination of the business relations, any documentation has to be returned to us without our request. They have to be kept confidential towards third parties.

3. The supplier is obliged to accept our order within a term of 3 business days. If he does not do so, the order is regarded as being refused.

4. If the supplier does not accept an order unconditionally and without any change, but submits an offer deviating from our order, then an agreement will only come about if we confirm it in writing.

§ 3 International material data system

1. By submitting his offer or accepting our order, the supplier confirms that he participates in the "International Material Data System" (IMDS) platform. He must provide complete material data there one week before the first delivery, unless another deadline is expressly agreed to.

2. The supplier commits himself to adhering to the Terms of Use of the IMDS platform and to use only the article identifications specified by us and to accept them without any change for the IMDS platform.

3. We will review within one week after the end of the term indicated in Sec. 3 para. 1 clause 2, whether data is complete and conforms to the contract. An order passed by us can only be executed if we have released the material data saved by the supplier on the IMDS platform. If a fixed or agreed delivery date cannot be kept to schedule because of this, the supplier must inform us of this promptly. The supplier shall only be liable for delivery delays due to delayed approval if he is culpable for the delay.

4. Deliveries being executed by the supplier disregarding the afore paragraphs will be regarded as inadequate and can be refused by us. We are especially entitled to claim for a re-execution, a withdrawal from the contract, a reduction of the agreed price or an enforcement of claims of damages.

§ 4 Delivery period

1. The delivery period mentioned in the offer is binding, unless agreed differently in writing.

2. The supplier is obliged to inform us immediately in writing as soon as circumstances come about or become discernible to him which will result in the fact that the demanded delivery period cannot be kept to schedule.

3. In case of being in arrears with delivery, we are entitled to legal rights. In particular we will be entitled to claim for damages instead of performance and withdrawal at the fruitless end of an adequate extension of the deadline. In case we claim for damages, the supplier is entitled to submit proof that he is not responsible for the breach of duty.

4. If we withdraw from the agreement in accordance with para. 3, we are entitled to make covering purchases from third suppliers or

to have replacement products made by third parties. The supplier renounces assertion of any potential protective rights in his favour unconditionally and free of revocation, if we have replacement products made by third parties. Further claims for damages shall remain unaffected.

§ 5 Terms and conditions of prices, delivery and payment

1. The price identified in the order is binding and includes the legal sales tax, unless otherwise agreed in writing.

2. All deliveries are made carriage paid and free of expenses for us, including the costs for packaging and at the risk of the supplier up to the acceptance spot prescribed by us. Costs for transport insurances will not be borne by us, unless agreed differently in writing.

3. All invoices have to be sent to us immediately in the simple making out. The invoices have to include our order number. The invoice has to be in compliance with § 14 of the law on sales tax.

4. Payments will be done within 10 days with 2%-cash discount or on the 20th of the month after the month of the delivery.

5. We are legally entitled to rights of offsetting and retention.

6. Ceding claims towards us is only effective with our expressive approval. Subsequent introductions and increases of public contributions and taxes, freight costs, salaries, material or other price-influencing factors will be chargeable to the supplier.

7. If any public fees and taxes, freight costs, wages, materials or other factors involved in pricing are introduced or increased after the contract is concluded, these shall be borne by the supplier.

§ 6 Examination of defects and liability for faults

1. We reserve the right to complete quality controls at the supplier's location before and after delivery. Quality controls at the supplier's location can also be carried out alongside our customers.

2. We are entitled to liability claims for faults in a not shortened way. In any case, we are entitled to claim for eliminating faults or for delivering a new object according to our free choice by the supplier. The claim for damages, especially the claim for damages instead of any performance, is being reserved expressly.

3. We are entitled to eliminate faults on our own and at the expense of the supplier, in case the supplier is in arrears.

4. The limitation period amounts to 36 months, starting at the transfer of risk, unless necessary requirements of §§ 445 b, 478 para. 2 of the German Civil Code are to be applied.

The regulation of § 377 of the German Civil Code will not be applied, unless it deals with an obvious fault on the part of the supplier.

In any case, the period for complaining about a deficiency amounts to five working days after its detection.

§ 7 Product liability, exemption and personal liability insurance-protection

1. As far as the supplier is responsible for a product damage, he is obliged to exempt us from claims for damages on the part of third parties on a first request inasmuch as the reason is to be found on his territory and in his organizational area and because in an exterior relationship, he himself is liable towards us or third parties.

2. Within the frame of his liability for cases of damage in the sense of para. 1, the supplier is also obliged to compensate potential expenses acc. to §§ 683, 670 of the German Civil Code or acc. to §§ 830, 840, 426 of the German Civil Code, resulting from or in connection with one of the call-back campaigns executed by us. As far as possible and reasonable, we will inform the supplier about the content and extent of call-back actions to be executed, giving him the opportunity to make a statement. Our further legal claims will not be violated.

3. We will provide required information to the responsible authority according to the regulations of the Product Safety Act in coordination with the supplier.

4. The supplier commits himself to maintaining a product liability insurance. The minimum covering sum is calculated in compliance with the net turnovers of all products of the previous year which we get from a supplier, being graded as follows:

Net turnover of the previous year	Covering sum
EUR 0,00 up to EUR 50.000	at least EUR 2.000.000

EUR 50.000,01 bis EUR 250.000	at least EUR 3.000.000
more than EUR 250.000	at least EUR 5.000.000

With a turnover of the previous year amounting to more than EUR 250.000,00, a motor vehicle-call back cost insurance has to be taken out in addition.

The existence of an adequate insurance has to be proved towards our company in the written form on the 1st of January of each year. In case the content of an insurance contract taken out is being modified within the delivery relationship or the contract is terminated, we have to be informed about it immediately in writing. The missing existence of an insurance cover always justifies for us the termination of current delivery relations.

In case a delivery relation starts in a calendar year and therefore there is no turnover from y previous year that helps calculating the covering sum to be guaranteed, we reserve the right to make a special agreement with the supplier with regard to taking out a product liability insurance.

In case we are entitled to further claims for damages, they will not be violated.

§ 8 Protective rights

1. The supplier guarantees that no third party rights entered into the following public registers shall be infringed upon in conjunction with his delivery: German Patent Register, German Trademark Register, Register of the European Patent Office (EPO), United States Patent and Trademark Office (USPTO).

2. In case third parties therefore make demands on us, the supplier is obliged to exempt us from these demands on a first written request. If we reach a settlement with the third party or a similar agreement in order to avoid a law-suit or in the frame of a law-suit, they are only binding for the supplier if he has approved the agreement before.

3. The supplier's obligation to exempt us refers to all expenditures that may necessarily arise for us or in connection with the demands of a third party.

4. The limitation period amounts to 60 months, beginning at the transition of danger.

§ 9 Reservation of proprietary rights, procurement, tools and secrecy

1. As far as we make parts available at the supplier's place, we reserve the proprietary rights on them. Processing and reconstruction through the supplier are being realized for us. If our reserved products are processed together with other objects that do not belong to us, then we acquire a co-ownership regarding the new object in the ratio of the value of our object (purchase price plus legal sales tax) to the other processed objects at the time of processing.

2. If the object procured by us gets inseparably mixed with others that do not belong to us, then we acquire a proprietary right on the new object in the ratio of the value of the reserved object (purchase price plus legal sales tax) to the other mixed objects at the time of mixing. If that mixing results in the fact that the object of the supplier has to be regarded as the main thing, then it is agreed that the supplier transfers onto us a proportional co-ownership. The supplier keeps safe for us the sole ownership or the co-ownership.

3. We reserve the proprietary right on tools. The supplier is still obliged to employ the tools exclusively for the manufacturing of the products that we have ordered. The supplier is obliged to insure the tools that belong to us at his expenses against fire, water and theft in an adequate way. At the same time, the supplier already now cedes onto us the claims for damages resulting from this insurance. We herewith accept the ceding. The supplier is obliged to realize at his expenses the necessary maintenance and inspection works regarding our tools as well as all maintenance and repair works. The supplier is to inform us immediately about any potential disturbances.

4. As far as the securing rights that we are entitled to acc. to para. 1 or para. 2 increase the purchase price of all reserved objects that have not been paid yet by more than 10%, we are obliged to give up the securing rights on the supplier's request.

5. The supplier is obliged to maintain secrecy regarding all illustrations, drawings, calculations and other documents and information that he has received. They may only be revealed towards third parties with our expressive written consent. The obligation to keep secrecy remains in effect after termination of the contract. It expires when and as far as the manufacturing knowledge left in illustrations, drawings, calculations and other documents becomes generally known.

6. Upon termination of business relations, the supplier commits himself to giving back to us immediately all documents in the sense of para. 5 and the objects made available.

7. The supplier is obliged to identify clearly visible as our property or co-property through a label acc. to our requirements movables that we possess or with regard to which we acquire an ownership and at request, this identification has to be proved.

§ 10 Final clause

1. Court of jurisdiction is Dillenburg, as far as the supplier is a businessman. However, we are entitled to sue the supplier also at the court of his place of business.

2. As far as the order confirmation does not reveal other information, the place where the contract will be fulfilled is Dillenburg.

3. The law of the Federal Republic of Germany will exclusively be applicable. The application of the UN purchase law is excluded.

4. Should individual clauses of the General terms of Purchase be or become ineffective, this will not affect the effectiveness of the other clauses. The parties commit themselves to agreeing such requirements instead of the ineffective ones that are economically seen very close to the ineffective requirements.

5. Deviations from contractual regulations and side agreements require the written form. This is also true for the renunciation to the written form requirement.

6. For the interpretation of these General Terms of Purchase, exclusively the German version will be decisive.

Dillenburg, the 8th of November 2019