

General terms and conditions of purchase

as of 1 May 2017



- Preamble -

These general terms and conditions of purchase are used by the following companies in the GEDORE Group:

GEDORE Torque Limited LOSOMAT UK Limited

1. Scope of application

These general terms and conditions of purchase ("**Terms**") apply to all purchases by us from our supplier; we do not accept and shall not be bound by any contradictory terms or terms of the supplier unless we have explicitly consented in writing.

2. Enquiries and requests for quotations

2.1 These Terms also apply to any enquiries or requests for quotations from us to suppliers. Our enquiries and requests for quotations are non-binding.

2.2 When providing a quotation, the supplier must adhere exactly to the specification and wording of our enquiry. Express reference must be made to any deviations. The supplier shall provide quotations free of charge.

3. Purchase order

3.1 A binding agreement for us to purchase from the supplier shall only come into existence on (i) us raising a purchase order; and (ii) the supplier providing written confirmation of its acceptance of the purchase order. Purchase orders shall not be binding without such written confirmation by the supplier. When providing confirmation of its acceptance of the purchase order, the supplier shall adhere exactly to the specification and wording of our purchase order.

3.2 Unless we have explicitly waived an order confirmation, every purchase order must be confirmed to us within five (5) business days by order confirmation (fax or email is sufficient) stating the binding delivery time. A late acceptance of our purchase order shall be deemed to be a new quotation and requires our acceptance.

4. Prices, invoicing, payment terms

4.1 The prices stated in the purchase order are binding. If no prices are stated, the supplier's current list prices shall apply, with any applicable trade discounts.

4.2 Unless otherwise agreed in writing, the price shall include all services and ancillary services of the supplier (including, without limitation, assembly and installation) as well as all ancillary costs (including, without limitation, insurance, proper packaging and transport costs).

4.3 We shall not be liable for any insurance premiums/costs of the supplier.

4.4 The supplier shall take back packaging materials at our request and at no additional cost.

4.5 After delivery/performance, the supplier must provide a copy of the invoice to us by post or email.

4.6 Agreed payment terms and discount periods shall commence on the later of (i) our acceptance of the delivery or performance, or (ii) provided that we have accepted the delivery or performance, after our receipt of a valid invoice.

4.7 The supplier shall quote the purchase order details (supplier number, order number, order date) on the invoice. If this obligation is not met and processing by us is delayed in the course of our normal business operations as a result, then the payment terms stated below shall be extended accordingly.

4.8 Unless otherwise agreed, payments shall be made within 14 days with a 3% discount, or within 30 days net. Our payments shall be deemed to be punctual provided that our transfer order is received by our bank before the payment deadline has expired.

5. Offsetting, right of retention, assignment

5.1 Without prejudice to any other right or remedy we may have, we may set off any amount owing to us at any time from the supplier against any amount payable by us to the supplier.

5.2 The supplier may not set off any amount due to us without our explicit written consent.

5.3 Suppliers shall not be permitted to assign any claims against us without our explicit written consent.

6. Delivery dates

The delivery date(s) stated in the purchase order are binding. If the delivery date has not been specified in the purchase order and has not been otherwise agreed, then the delivery date shall be one week from the issuing of the supplier's written confirmation of its acceptance of the purchase order.

7. Delay to delivery

7.1 The supplier shall inform us immediately in writing if it becomes apparent to the supplier that the agreed delivery date or deadline cannot be met. Following such notification, we may decide (acting reasonably) to cancel the order at no cost. Following such notice, the supplier shall reimburse to us on demand any advance payments paid by us for such goods.

7.2 Without prejudice to any other rights that we may have, in the event of delay to delivery, we shall be entitled to claim liquidated delay damages amounting to 1% of the net price for each full week of delay, but not more than 5% of the net price of the delayed goods.

8. Documents, packaging

8.1 The supplier shall quote the order details (supplier number, order number, order date) on all shipping documents and delivery notes. If the supplier omits such details, we shall not be responsible for any processing delays incurred as a result and may invoice the supplier for any reasonable additional expenses incurred.

8.2 In the case of supply of hazardous goods, all product information, in particular safety data sheets, must be transmitted to us in good time before the delivery and additionally enclosed with the shipment.

9. Delivery

9.1 Delivery shall be effected DDP (pursuant to Incoterms 2010 or the current version), unless otherwise agreed in writing. The place of performance is the Gedore delivery address, unless otherwise agreed in writing (fulfilment obligation).

9.2 Risk in the goods shall be transferred to us upon our receipt of the goods to the agreed place of delivery and our acceptance of such goods.

9.3 Subject to clause 11.2, the supplier shall only be authorised to make partial deliveries/ render part performance with our prior written permission. In the event of a partial delivery/performance to which we have not agreed, we shall be entitled to invoice the supplier for any reasonable additional costs we incur as a result.

10. Environment, health and safety

10.1 The supplier shall ensure that its goods, deliveries and services (including those of its subcontractors) are all provided in accordance with all relevant laws (including, without limitation, occupational safety and accident prevention laws and regulations).

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- 10.2 Without limiting the generality of clause 10.1, the supplier shall ensure that the products and services it delivers meet all relevant environmental protection regulations, in particular the directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive), the regulation concerning the registration, evaluation, authorisation and restriction of chemicals (REACH Regulation), the regulation on the classification, labelling and packaging of chemicals (CLP Regulation) and the directive on waste electrical and electronic equipment (WEEE Directive).
- 10.3 The supplier shall on request and free of charge provide proof that goods are free from hazardous substances.
- 11. Weights/quantities**
- 11.1 Short weights and/or quantities shall lead to an appropriate reduction in charges. For the purposes of this clause, the weight and/or quantity reported by the client at receipt of goods shall be the weight and/or quantity used to calculate any such reduction. The supplier shall pay any reimbursement of charges due promptly.
- 11.2 Delivery shortfalls or surpluses of +/- 10% shall be accepted.
- 12. Inspection, notification of defects – warranty, liability**
- 12.1 The supplier shall comply with all applicable laws in connection with the supply of goods and services and shall obtain lawfully and maintain in force all licences, permissions, authorisations, consents and permits needed to manufacture and supply the products in accordance with these Terms.
- 12.2 The supplier shall ensure that all goods and services:
- 12.2.1 comply in all respects with the purchase order and any relevant specification;
- 12.2.2 are of the best available design, quality, materials and workmanship and are without fault; and
- 12.2.3 remain capable of operation for their intended purpose as held out by the supplier or made known to the supplier by us, expressly or by implication, for a period of 24 months from delivery.
- 12.3 We shall check the supplied goods upon receipt with regard to type, quantity and visible damage, in particular transport damage, and shall report any defects found. Defects or shortages found at a later date shall be reported as soon as they are found.
- 12.4 Following us notifying the supplier of any defect, the supplier shall remedy such defects in the goods within a reasonable timeframe (as determined by us, acting reasonably). The supplier shall bear its own costs associated with remedying such defects (including, without limitation, any costs relating to (i) its inspection of the goods; (ii) replacement goods; and (iii) any other costs relating to the remedy of such defects (for example any installation and removal costs)). In the event that a request by us to remedy defects turns out to be unjustified, we shall only be liable for costs if a reasonable customer would have known that no defect existed.
- 12.5 If the supplier does not remedy a defect within an appropriate period of time (as stipulated by us in accordance with clause 12.4), we shall be entitled to remedy the defect ourselves and claim compensation for any associated costs incurred by us. The supplier shall pay any compensation promptly and, if requested by us, pay to us an advance payment for such costs.
- 13. Retention of title, provision of tools**
- 13.1 Title to goods shall transfer to us on delivery or payment, whichever is earlier.
- 13.2 We shall retain title to parts if we provide the supplier with the parts. The supplier shall undertake processing or alteration for us. If our goods which are subject to retention of title are processed or inseparably mixed with other items not belonging to us, we shall acquire joint title to the new item to the value of our item (purchase price plus VAT) in proportion to the other items processed at the time of processing.
- 13.3 We shall retain title in the tools provided by us. The supplier shall use the tools solely for the production of the goods ordered by us and to return these to us upon completion of the work for us. The supplier shall insure at its expense the tools belonging to us, for their full replacement value with new tools, against accidental damage, fire and water damage and theft. The supplier shall be obliged to carry out any maintenance and inspection work on our tools that may be required and to carry out all maintenance and repair work in good time, at its expense. The supplier must immediately notify us of any incidents or issues with our tools.
- 13.4 The supplier shall use its best endeavours to keep our property safe and in good condition, shall notify us in the event that a third party accesses our property and inform us immediately if a third-party lien is produced or such a measure is imminent. This shall also apply to goods for which we have already paid but which are still in storage with the supplier, which, as our property, must be insured at the supplier's expense against all risks.
- 14. Product liability, discharge, third-party liability insurance**
- 14.1 The supplier shall on demand indemnify us and hold us harmless against all losses, liabilities, costs, claims, demands and proceedings (including, without limitation, any direct, indirect or consequential liabilities, loss of revenue and profit, loss of reputation, loss of business and all interest, penalties and legal and other professional costs and expenses) awarded against, paid by, suffered or incurred by us arising out of or in connection with any claim made against us by any customer or third party to the extent that such loss, liability, cost, claim, demand and proceeding was caused by, relates to or arises from any act or omission of the supplier or negligent performance or failure or delay in performance under these Terms by the supplier.
- 14.2 The supplier shall maintain product liability insurance with cover of £10 million per personal injury/property damage/financial loss claim (combined single limit) and shall prove this to us on request by producing a copy of the corresponding policy and such other documents as we may reasonably require.
- 15. Intellectual property rights**
- 15.1 The supplier shall on demand indemnify us and hold us harmless against all losses, liabilities, costs, claims, demands and proceedings (including any direct, indirect or consequential liabilities, loss of revenue and profit, loss of reputation, loss of business and all interest, penalties and legal and other professional costs and expenses) awarded against, paid by, suffered or incurred by us arising out of or in connection with any alleged or actual infringement, whether or not under English law, of any third party's intellectual property rights or other rights arising out of the use or supply of the goods and/or services provided by the supplier pursuant to these Terms.
- 15.2 We shall not be authorised to reach any agreements whatsoever with the third party, in particular to reach a settlement, without prior authorisation from the supplier.
- 16. Advertising material**
- The supplier shall not make reference to its business relationship with the GEDORE Group unless it has our prior written consent.
- 17. Production documents, confidentiality**
- 17.1 We shall retain title and intellectual property rights to all illustrations, drawings, calculations and other documentation; third parties must not be given access to them without our explicit permission in writing. They must be used solely for production on the basis of our orders; following cessation of the business relationship, they and any copies must be voluntarily returned to us.
- 17.2 The supplier shall (and shall procure that its employees and subcontractors shall) treat all technical and commercial documents consigned to it as strictly confidential. The obligation of confidentiality shall not apply if the information is already commonly known or was already known to the supplier before it was communicated by us. The same applies if the information becomes commonly known following disclosure without a breach of contract, if the information becomes known to the supplier via third parties without these third parties having breached an obligation of confidentiality, if the information is generated by the supplier independently of the information

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communicated by us or if the information is publicly disclosed by us or must be disclosed on the basis of statutory regulations. In the event of infringement, we shall be entitled to compensation.

18. Origin of goods, preferences, regulations governing the international movement of goods

18.1 Documents requested by us under foreign trade law, in particular proofs of origin and supplier's declarations, shall be provided by the supplier with all of the necessary information and made available to us duly signed and free of charge.

18.2 The supplier shall undertake to check whether its products are subject to prohibitions, restrictions and/or approval obligations within the international movement of goods (e.g. with regard to the export list, dual use regulation, US re-export regulations, etc.) and accordingly, as applicable, clearly identify these with clear details in its quotations, order confirmations and all documents accompanying the goods.

18.3 In the event of failure to fulfil these obligations, the supplier shall be liable for any loss, liabilities or costs incurred by us as a result, including (but not limited to) subsequent claims for foreign import taxes.

19. Entire agreement

19.1 These Terms (including any purchase order and order confirmation pursuant to clause 3.1, excluding always any contradictory terms provided by you) constitute the whole agreement and understanding of the parties and supersede any previous arrangement, understanding or agreement between them relating to a contract governed by these Terms.

19.2 Each party acknowledges that, in entering into these Terms, it has not relied on, and shall have no remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than those expressly set out in a contract governed by these Terms.

20. Variation and waiver

20.1 Any variation of these Terms shall be in writing and signed by duly authorised representatives of the parties.

20.2 Any waiver of any right under these Terms is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given.

20.3 No failure to exercise or delay in exercising any right or remedy provided under these Terms or by law constitutes a waiver of such right or remedy, nor shall it prevent or restrict any future exercise or enforcement of such right or remedy.

20.4 No single or partial exercise of any right or remedy under these Terms shall prevent or restrict the further exercise of that or any other right or remedy.

21. Assignment and sub-contractors

21.1 We may assign our rights under these Terms without your consent.

21.2 We shall be entitled to sub-contract all or any of our obligations under these Terms without your consent, provided that we remain liable for the performance of our sub-contractors.

22. Severability clause

22.1 If any provision of these Terms (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

22.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

23. Third party rights

No person other than a party to a contract governed by these Terms shall have any rights to enforce any term of these Terms.

24. Governing law and jurisdiction

24.1 These Terms (and any contract of which they form part) and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

24.2 The parties irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with these Terms (and any contract of which they form part) or their subject matter or formation (including non-contractual disputes or claims). affect the validity of any other provisions or agreements.

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