

General Terms and Conditions of Purchase

1. General Information

These General Terms and Conditions of Purchase apply to all purchase orders placed by Schwinn Beschläge GmbH. Any deviating terms and conditions of the Supplier shall only apply if we have agreed to accept their validity in writing. Such other terms and conditions will also not be effective even if we have not expressly rejected them in the individual case. The acceptance of deliveries, services, or payment thereof shall not mean that the terms and conditions of the Supplier have been accepted.

2. Offers, Purchase Orders, Written Form

2.1 The preparation of offers or drawing up of cost estimates shall be free of charge. We shall not assume any costs nor shall we pay any remuneration for visits, planning and any other preliminary work in connection with the submission of offers, unless previous agreement to the contrary has been reached in this respect.

2.2 Purchase orders, changes or amendments of such as well as any other agreements made in connection with the conclusion of a contract shall only be binding if we state or confirm them in writing.

3. Prices and Discounts

Unless otherwise agreed, all prices shall be quoted carriage paid to destination. They shall cover all deliveries and services that the Supplier must effect in order to fulfill its obligations up to and at the agreed place of destination.

4. Shipping Instructions, Origin of Goods

4.1. A precise notification of dispatch/delivery note must be sent to the recipient on the day of dispatch for each delivery. The Supplier will be held liable for the consequences of incorrectly issued consignment notes. Our purchase order number and the consignee must be indicated in all shipping documents.

Transport insurance shall be taken out by the Supplier at its own expense, unless an agreement to the contrary has been reached.

In the event that delivery involves dangerous goods which may be subject to special national and/or international shipping instructions, such goods shall be packaged, marked and dispatched accordingly by the Supplier.

4.2. If the delivery has to comply with the rules of origin under an EU preferential agreement, the Supplier shall provide us with the corresponding certificates of origin.

4.3 The Supplier must take back packaging material at the place of destination free of charge.

5. Ownership, Industrial Property Rights, Copyright

- 5.1 Drawings, samples, formulas and other documents and tools which we furnish to the Supplier for the execution of purchase orders shall remain our property. They may only be used in accordance with their intended purpose and shall be returned to us at any time upon request.
- 5.2 The Supplier shall treat as confidential any documentation furnished by us, any information about provisions of material and any other know-how of which the Supplier learns during the business relationship; such information shall not be furnished or disclosed to third parties without our express written approval. The Supplier shall also treat as confidential any knowledge and results gained through the application of the aforementioned; however, this provision shall not apply insofar as these have become publicly accessible without the active involvement of the Supplier. In particular, the Supplier shall be obliged to respect our copyrights and other industrial property rights. Their use shall only be permitted for the contractually agreed purposes. Products manufactured on the basis of documents, drawings or models prepared by us, by means of other materials provided by us or in accordance with our instructions shall neither be exploited by the Supplier nor shall the Supplier allow such products to be exploited by others. The Supplier may neither offer nor deliver them to third parties.

6. Deadlines, Dates

- 6.1 The receipt of the delivery and/or service free of defects at the place of destination and/or the successful completion of an acceptance inspection, insofar as such is agreed upon or provided for by law, shall be decisive with regard to compliance with agreed deadlines and dates.
- 6.2 As soon as the Supplier is aware that it cannot meet agreed deadlines and dates either in full or in part, it shall be obliged to notify us immediately, stating the reasons and the estimated duration of the delay. Notifications of the Supplier in this respect shall not affect our legal rights and claims in the event of default.

7. Contractual Penalty for Default

If a contractual penalty has been agreed upon and becomes due in the event of default, we shall be entitled to impose it until payment of the invoice for the belated deliveries or services without having to reserve this right upon acceptance of the deliveries or services.

8. Partial, Excess or Short Deliveries

- 8.1 Partial deliveries or partial services shall require our prior written consent. If we accept such without having given our prior consent, this shall not constitute grounds for premature settlement of payment obligations or approval with regard to the assumption of additional transportation costs.

- 8.2. We reserve the right to accept excess or short deliveries in individual cases. If excess deliveries are made without our prior written approval, we shall be entitled to refuse delivery and to store or return such deliveries at the Supplier's expense.

9. Risk Assumption, Acceptance and/or Acceptance Inspection, Force Majeure

- 9.1 The Supplier shall bear the risk of accidental loss or accidental deterioration prior to the arrival of deliveries at the place of destination. If an acceptance inspection is legally stipulated or has been agreed upon, the Supplier shall bear the risk up to the time of the acceptance inspection.
- 9.2 Instances of force majeure (in particular industrial action) as well as other unforeseeable or external circumstances beyond our control shall entitle us to postpone the acceptance of deliveries and/or services and/or the performance of an acceptance inspection.
- 9.3 In all other respects we shall only be obliged to accept deliveries if the latter exhibit the agreed quality characteristics.

10. Invoice, Payment

- 10.1 Invoices shall be submitted separately in duplicate for each delivery – indicating the purchase order data – following complete and defect-free delivery, completion of services or after the acceptance inspection in the case of performance-related services. We may return invoices without a purchase order number to the Supplier without processing them.
- 10.2 Unless otherwise agreed in writing, payment of correctly submitted invoices will be made within 20 days with a 4% discount or within 45 days net. The payment period shall commence upon receipt of the invoice, however not before defect-free fulfillment of the contract and/or the acceptance inspection. Payment shall be deemed to have been made punctually if we have instructed the bank to transfer payment or, if payment is by check, posted the check on the last day of the period for payment.

11. Notice of Defects, Rights in the Case of Defects

- 11.1 In the event of a commercial obligation to inspect and report defects, our obligation shall be limited to an examination of the goods in terms of quantity and identity, checking them for visible external transport or packaging damage and random sampling of the goods with regard to their essential characteristics. In the case of obvious defects we shall report these to the Supplier without delay, at the latest within 10 days after delivery. Other defects will be reported without delay after their discovery. In cases of doubt concerning quantities, weights and dimensions, the values determined by us during the incoming goods inspection shall be authoritative.
- 11.2 The Supplier shall be obliged to provide defect-free deliveries and services. These must, in particular, exhibit the agreed quality characteristics, fulfill their agreed intended use, conform to the current state of the art and generally accepted technical and occupational health safety regulations imposed by authorities and trade associations, and satisfy pertinent legal requirements.

The approval of submitted drawings, samples and other documents (e.g. papers, programming, etc.) on our part shall not affect the responsibility of the Supplier with regard to proper fulfillment of the contract.

- 11.3 In the event of defects and warranty claims we shall be entitled to the statutory rights accruing from defects. Insofar as warranty claims exceed the statutory rights regarding defects, these rights shall remain unaffected hereby. The period of limitation regarding claims for defects is 36 months and commences upon delivery and/or performance and/or the acceptance inspection if such is either agreed or prescribed by law. Longer statutory periods of limitation applicable to claims for defects and the term of the statutory period of limitation for warranties shall not be affected hereby.
- 11.4 If a defect appears within the period of limitation, we shall at our discretion be entitled to demand subsequent performance by means of reworking, subsequent delivery and/or remanufacture within an appropriate period of time. In urgent cases, if the Supplier could not be contacted and there is a risk of disproportionately high damages, we shall have the right to remedy defects ourselves or to have such defects remedied by third parties at the expense and risk of the Supplier. We shall inform the Supplier of such measures without delay.
- 11.5 If subsequent performance is not effected by the Supplier within a granted reasonable period of grace, if it has been unsuccessful, or if setting a time limit was dispensable, we shall be entitled to withdraw from the contract pursuant to the statutory provisions and may demand compensation in lieu of performance, reimbursement of futile expenditures or a reduction in price.

12. Industrial Property Rights of Third Parties

The Supplier shall warrant that we will not violate the copyrights, patents or other industrial property rights of third parties through the contractual use and/or sale of its goods and/or services. The Supplier shall indemnify us against all claims asserted against us due to violation of an industrial property right, and shall assume the costs of safeguarding our rights if such claims are based on culpable violation of duty on the part of the Supplier. We shall inform the Supplier immediately in the event of any such claim.

13. Product Liability, Insurance

- 13.1 The Supplier will indemnify us against all product liability claims if such claims are due to a defect in the goods and/or services delivered by the Supplier. On the same conditions, the Supplier shall also be liable for any damages incurred by us in such cases as a result of any required precautionary measures, reasonable in kind and scope, e.g. as a result of public warnings or product recalls. Our right to assert own damage claim(s) against the Supplier shall not be affected hereby.
- 13.2 The Supplier agrees to take out appropriate insurance against relevant risks and provide evidence of such to us by submitting the corresponding insurance policy on request.

14. Data Protection

We shall be entitled to save and process any and all data required within the scope of performance of the contractual relationship with the Supplier, even if this involves personal data.

15. References / Advertising

The Supplier shall not be entitled to use information with regard to an intended or existing contractual cooperation for reference or marketing purposes without our written consent. Taking photographs on our properties or business premises, and any kind of use and/or publication in this respect, shall also be prohibited without our written consent.

16. Passing on of Purchase Orders, Assignment, Setoff

16.1 The Supplier may only permit purchase orders or essential parts thereof to be carried out by third parties after obtaining our prior written consent.

16.2 The Supplier shall not be entitled to assign any claims against us or to have them collected by third parties, except with our prior written consent, unless such claims have been legally determined as being final and absolute or are undisputed.

16.3 We object to retention-of-title provisions of the Supplier which exceed the scope of a simple retention of title. Such provisions shall be subject to a prior written agreement in the particular case. Should subcontractors nevertheless assert ownership rights, co-ownership rights or rights of lien vis-à-vis us and/or have compulsory enforcement measures carried out, we will hold the Supplier liable for any and all damage incurred as a result.

17. Place of Performance, Applicable Law, Place of Jurisdiction

17.1 The place of performance for any and all obligations on the part of the Supplier shall be the place of destination; however, the place of performance for payments shall always be the registered place of business of the Principal.

17.2 German law shall apply. Application of the UN Convention on Contracts for the International Sale of Goods (CISG) of April 11, 1980 shall be excluded.

17.3 The place of jurisdiction is Darmstadt, Germany.