

## **1. Scope, general points**

1.1 Our General Purchasing Conditions (GPC) apply to all our business relationships with our suppliers, if these are enterprises (Section 14 of the German Civil Code - BGB), legal entities of public law institutions or special asset funds under public law within the meaning of Section 310 (1) BGB. They apply to the purchase of movable items as well as the procurement of work services (both hereinafter referred to as "goods") by us, without taking into consideration whether the supplier manufactures the goods itself or purchases them from third parties.

1.2. In the course of business between our suppliers and us, only our GPC shall apply. We do not recognise General Terms and Conditions opposed to or deviating from our GPC of the supplier, unless we have expressly agreed to their validity at least in text form. This requirement for approval also applies if we accept the services of the supplier without reservation in the knowledge of opposed GPC or GPC deviating from our General Terms and Conditions.

1.3. Unless otherwise agreed, our GPC shall apply in the version valid at the time of the order as a framework agreement also for future equivalent contracts, without us having to point these out repeatedly in each case.

1.4 Individual agreements made with the supplier in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these GPC. Subject to proof to the contrary, the content of such agreements will be governed by a contract, at least in text form, or by our confirmation, which must at least be in text form.

## **2. Conclusion of contract**

2.1. Our orders are only binding if they are placed at least in text form. The supplier must draw our attention to obvious errors (e.g. spelling or numerical mistakes), incompleteness or contradictions of the order including the order documents for the purposes of correction or completion before acceptance.

2.2. Our orders are deemed to be an offer to conclude a contract to which we are bound for a period of 2 weeks from receipt by the supplier. The contract is concluded - subject to 2.3 - by a confirmation from the supplier.

2.3. If requested by us however, the supplier must initially provide us with an offer free of charge in accordance with our descriptions and specifications. If this would deviate from our descriptions and specifications, it must expressly indicate this in text form so that it is clearly recognisable. Each deviation requires our approval at least in text form. Provided the supplier provides an offer in accordance with the regulations of this clause, the contract is concluded upon our acceptance, which requires at least the text form.

## **3. Prices, payment conditions, late payment, prohibition of transfer, rights of compensation and retention**

3.1. The prices evidenced in the order are net prices and are binding. Price increases after the conclusion of the contract are excluded. VAT must also be paid if this is due.

3.2. Delivery is free of charge (DDP Incoterms 2020) to the address specified in the order, provided nothing else has been agreed upon, at least in text form.

3.3. Provided nothing else is agreed upon at least in text form, we will pay the purchase price or the compensation within 14 calendar days after complete delivery and receipt of an invoice eligible for

input tax reduction minus the 3% discount. For the timeliness of the payment, the receipt of the transfer request by our bank is decisive.

3.4. We do not owe any due-date interest (in accordance with § 353 HGB). The claim of the supplier for payment of late payment interest remains unaffected by this. For the entry of our late payment, the legal provisions shall apply, in any case however a reminder from the supplier is required. In the event of late payment, we will owe late payment interest in the amount of five percentage points over the base interest rate in effect at the time.

3.5. Demands from the contractual relationship may not be transferred or pledged either in full or in part to third parties by the supplier without our consent in writing. § 354 a HGB remains unaffected. Overriding statutory provisions, in particular regarding exclusive responsibilities, remain unaffected.

3.6. The supplier is owed a right to compensation or retention only due to counter-requests which have been determined to be legally binding, uncontested or due for a decision to be made.

## **4. Delivery deadlines, delivery delays, delivery quantities**

4.1. The delivery deadlines specified by us are binding. The supplier is obligated to inform us immediately at least in writing if circumstances should arise or if it should become aware of the fact that it will not be able to adhere to the delivery deadline.

4.2. If the supplier does not render its service, does not do so within the delivery deadline, or is delayed in doing so, the legal claims are owed to us. The following clause 4.3 remains unaffected.

4.3. In the case of delivery delays, we – besides further legal claims – are entitled to request the general delay damage in the amount of 1% of the delivery value per full week of delay, but no more than 5% in total of the net price of the goods delivered late. We reserve the right to prove that we have incurred a higher damage. The supplier has the right to prove to us that due to the delay no or a significantly lower damage has been caused.

4.4. The delivery quantities specified by us are binding. Additional, insufficient or partial deliveries can be rejected.

## **5. Warranty, obligation to give notice of defects**

5.1. In the event of material defects and defects of title (including wrong and short delivery as well as improper assembly or faulty assembly instructions), our rights will be governed by the statutory provisions, unless otherwise stipulated below.

5.2. In accordance with the statutory provisions, the supplier shall be liable in particular for ensuring that the goods have the agreed quality at the time of the transfer of risk to us. If, particularly due to identification or reference in our order or by agreement, specifications or other documents (e.g. product descriptions, drawings, illustrations etc.) provided by us or by third parties, are objects of the contract in question or are, like these GPC, incorporated into the contract (hereinafter collectively referred to as "contractual documents"), the goods must be of the quality specified therein. The goods must be unencumbered by third-party rights.

5.3 We are not obliged to inspect the goods or make special enquiries about any defects upon conclusion of the contract. Partially deviating from § 442 (1) sentence 2 BGB, we are therefore entitled to claims for defects without restriction even if the defect remained unknown to us upon conclusion of the contract due to gross negligence.

5.4 Insofar as a commercial obligation to inspect and give notice of defects is relevant, the statutory provisions (Sections 377, 381 HGB) shall apply with the following proviso:

Our inspection obligation is limited to deficiencies which manifest during our incoming goods inspection under external assessment including the delivery documents and during our quality inspections in the sampling procedure (e.g. transit damage, incorrect or deficient delivery). Provided an acceptance is agreed, there is no inspection obligation. Other than this, it is a case of to what extent an inspection is feasible taking into consideration the circumstances of the individual case in accordance with proper business operations. Our obligation to make a complaint (notification of defects) for deficiencies discovered later remains unaffected. In all cases, our complaint, which does not require any special form, shall be deemed to have been received without undue delay and on time if it is received within 10 working days after we make the seller aware of the deficiency.

5.5. Within the scope of subsequent performance, we will be entitled to demand from the supplier, at our discretion, either elimination of the defect or delivery of a defect-free item. Subsequent performance will also include the dismantling and re-installation of the defective goods, provided that the goods have been installed in, or attached to, another item in accordance with their nature and intended use; our legal claim to reimbursement of the expenses incurred thereby (esp. costs for installation and dismantling) will remain unaffected. The expenses necessary for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs as well as any dismantling and installation costs, shall be borne by the supplier even if it turns out that there was in fact no defect. Our liability for damages in the event of an unjustified request to remedy a defect shall remain unaffected; however, we shall only be liable in this respect if we recognised or were grossly negligent in not recognising that there was no defect.

5.6 Without prejudice to our legal rights and the provisions in the above clause 5.4., the following will apply: If the supplier does not fulfil its obligations to subsequently fulfil the order (clause 5.4.) within an appropriate deadline to be determined by us, we can rectify the deficiencies ourselves and require the supplier to reimburse us for the expense incurred or make a corresponding advance payment. If subsequent fulfilment by the supplier has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or the threat of disproportionate damage), no deadline is required; we shall inform the supplier of such circumstances without delay.

5.7 Otherwise, in the event of a material defect or defect of title, we shall be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. Furthermore, we will, in accordance with the legal provisions, have the right to compensation for damage and expense incurred.

## **6. Supplier recourse, fault, warranty periods**

6.1. We will be entitled without limitation to assert statutory compensation claims within a supply chain (supplier recourse in accordance with Sections 445a, 445b, 478 BGB). In particular, we will be entitled to demand from the supplier exactly the type of subsequent performance (repair or replacement) that we owe our customer in the individual case. Our statutory right of choice (Section 439 (1) BGB) is not restricted by this.

Before we acknowledge or fulfil a claim for defects asserted by our customer (including for reimbursement of expenses in accordance with Sections 445a (1), 439 (2), (3), (6) sentence 2, 475 (4) BGB), we will notify the supplier and request a written statement, briefly explaining the facts of the case. If a substantiated statement is not forthcoming within a reasonable period of time and no amicable solution is brought about, the claim for defects actually granted by us

will be deemed to be owed to our customer. In this case, the supplier will be responsible for providing proof to the contrary. Our claims arising from supplier recourse shall also apply if the defective goods have been combined with another product or further processed in any other way by us, our customer or a third party, e.g. by installation, attachment or installation.

6.2. The supplier is liable for intent and any kind of negligence, including its representatives, commissioned parties, assistants or vicarious agents and in particular bears the procurement risk. Liability cannot be limited in terms of amount.

6.3. Provided the law does not prescribe any longer deadlines, our warranty claims expire 36 months after the beginning of the legal expiration deadline.

## **7. Confidentiality, reference to business relationship, rights to order-related documents**

7.1. The supplier is obligated to maintain secrecy about the conditions of the order as well as all information and documents provided for this purpose (raw material, product descriptions, calculations, drawings, illustrations and other documents, provided these are not publicly accessible) for a time frame of 3 years after conclusion of the contract. They are only to be used for the delivery on the basis of our order. They may not be made accessible to third parties without our express consent in writing. After completion of requests or after processing of the order, such documents must be returned to us without request without any reproductions being made regardless of what kind.

7.2. Without our prior approval, at least in text form, the supplier may not draw attention to the business relationship in advertising material, brochures, etc.

7.3. We retain ownership and copyrights to our raw material and product descriptions, calculations, drawings, illustrations, plans and other documents. Without the express approval at least in writing, these may not be used for the supplier's own purposes or the purposes of third parties.

## **8. Product liability, exemption**

8.1. If the supplier is responsible for damage to the product, it must relieve us from the claims of third parties the first time this is requested, when the cause is in its area of control and organisation and it itself is liable in the exterior relationship.

8.2. As part of its obligation to grant release, the supplier is also obligated to reimburse us with the costs in accordance with §§ 683, 670 BGB, which result from or in connection with a third-party claim including a replacement and recall action carried out by us or our customers. We will inform the supplier about the contents and scope of the planned recall measures – provided this is possible and reasonable – and give it the opportunity to provide a written statement. Subsequent claims on our behalf remain unaffected.

8.3. The supplier will take out and maintain product liability insurance with a coverage sum of at least €2.5 million per claim for personal injury/material damage. Lower coverage sums requested by the supplier must be agreed with us on a case-by-case basis. Any additional damage compensation claims on our behalf remain unaffected by this.

## **9. Commercial protection rights, copyrights**

9.1. The supplier ensures that due to the delivery and use of the delivered goods, no third-party protection rights in countries of the European Union or other countries in which it manufactures the products or has the products manufactured are impinged upon.

9.2. If claims are made to us by third parties due to a protection right breach according to no. 1, which has arisen through the intended use of the delivered goods, the supplier must release us from these claims upon first written request, send us all necessary information and reimburse us of all necessary expense in connection with this claim, provided the supplier does not prove that it is not responsible for the breach of obligations underlying the protection right breach. Further claims, particularly also due to material or legal defects of the goods delivered to us, remain unaffected.

9.3 The use of our brand names, logos or photos and representations of Grömo products on the Internet or in other electronic or digital communication networks or in the form of television or radio transmissions or in print media requires an additional agreement with us concerning such use, at least in text form.

## **10. Title retention, transfer of ownership**

10.1. If we provide objects or materials to the supplier for further processing, mixing or combination ("merchandise under retention") and a processing, mixing or combination of our merchandise is carried out by the supplier for us, we reserve the ownership and copyrights to the merchandise under retention for ourselves.

In the event that our reserved goods are processed, mixed or combined with other items or materials not belonging to us, we shall acquire co-ownership of the new object in the proportion of the value of our merchandise under retention (purchase price plus VAT) to the other processed/mixed/combined objects or materials at the time of processing/mixing/combination.

Provided the securing rights to which we are entitled in accordance with No. 1 exceed the value of our merchandise under retention by over 20%, we shall approve the securing rights at the supplier's request accordingly.

10.2. The transfer of the goods into our ownership must take place without taking into consideration the payment of the purchase price. If in individual cases we accept an offer of the supplier for transfer of ownership determined by the purchase price payment, the title retention of the supply becomes void at the latest with the purchase price payment for the delivered goods.

10.3. We retain the right even before paying the purchase price to sell the goods on in a proper business transaction transferring our requirements arising as a result of this in advance and to process the goods, for assistance therefore a simple title retention of the supplier extended to the onward sale applies. In any case, all other forms of retention of title are excluded, in particular the extended retention of title, the forwarded retention of title and the retention of title extended to further processing.

## **11. Place of fulfilment, place of jurisdiction, contract language, data processing, severability clause**

11.1. The place of fulfilment for all duties resulting from the contractual relationship is Marktobendorf.

11.2. If the customer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special asset fund under public law, the exclusive and international place of jurisdiction is Marktobendorf, where our headquarters are located, for all disputes resulting directly or indirectly from the contractual relationship. We also have the right to open proceedings at the place of general jurisdiction of the buyer.

11.3. The law of the Federal Republic of Germany applies. International private law and the UN Convention on Contracts for the International Sale of Goods (CISG) are excluded.

11.4. Even if the supplier is in possession of a translation of these GPC in another language, the German version will be exclusively authoritative.

11.5. In the event that the supplier has supplied us with data related to persons, this data will be utilized, processed for the business transaction, saved and passed on to other connected companies, as well as if deemed necessary given to affiliated- and service companies. With regard to the detailed rules for processing data, we refer to our data protection regulations at [www.groemo.com/en/data\\_protection](http://www.groemo.com/en/data_protection)

11.6. If individual stipulations of these GPC for the business transactions are or should become invalid then the rest of the stipulations are not affected. Any invalid provision is to be replaced by that valid and permissible provision which most closely corresponds with the invalid provision in terms of its meaning and purpose.

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