

## Conditions of Purchase

By LAPP and for all affiliated companies.  
As at 03/01/2019

Our orders and transactions with contractors are subject exclusively to the conditions of purchase below. Differing conditions of sale on the part of the supplier will be accepted only if we have confirmed them in writing as a supplement to our conditions of purchase. Without this acceptance, they are not binding on us even if we do not expressly reject them. The same applies if we accept ordered goods or effect payment, either in whole or in part. Upon the first delivery under these conditions of purchase, the supplier recognises them as being exclusively legally binding for all further supply relationships.

### 1. Conclusion of the contract and amendments to the contract

1.1. Orders or changes to orders are valid only if we submit or confirm them in text form and they are signed by two authorised signatories, unless the order is made via our electronic ordering system. They become binding unless the recipient rejects them within two working days. Verbal agreements are valid only if they are confirmed in writing.

1.2. The supplier must confirm the order/change in writing without undue delay. If we do not have a proper confirmation within five working days – calculated from the date on which the order/change was received – we are entitled to cancel the order without this making us susceptible to any claims on the part of the supplier.

1.3. For any orders that have not yet been fully completed, we are entitled to demand changes at any time with regard to the design, delivery and delivery time.

1.4. The supplier may place subcontracts only with our agreement.

1.5. If the supplier suspends payments, asks its creditors to settle out of court, or if insolvency proceedings are instituted against its assets, we are entitled – without prejudice to any other rights – to withdraw from the contract. In the event of an out-of-court settlement, this withdrawal will be after agreeing an appropriate period for performance.

### 2. Delivery and acceptance

2.1. Deliveries must correspond to our order and to our delivery programme in terms of execution, quantity and classification and must be made on schedule.

2.2. Agreed delivery dates are binding. If they are not met due to reasons, for which the supplier is responsible, we are entitled to assert our legal claims due to delay.  
The supplier is furthermore obliged, at our request, to hand over the production materials specially required for the outstanding delivery and, provided these do not belong to us, to assign these to us in return for payment at their present value.  
For the rest, the statutory provisions apply.

2.3. The supplier must pay due regard to the specifications of the relevant transporter, carrier or haulier. The supplier will be liable for any damage resulting from inadequate packaging. Packaging costs, haulage and warehouse charges and all incidental shipping costs will be borne by the supplier. This also applies to surcharges for express delivery required as a result of circumstances, for which the supplier is responsible.

2.4. Empty containers and packaging materials will be returned carriage unpaid at the cost of the supplier, unless they are disposable. Our packaging regulations apply (available at [www.lappkabel.de](http://www.lappkabel.de) in the download section).

2.5. In cases of delivery carriage paid to our factory, the risk will be transferred to us when the delivery has been properly handed over and accepted at the place of delivery.

2.6. The number of pieces, measurements, weights and quality features that are determined during our incoming check are definitive. Any statistical testing method described in our order and the results derived from it with regard to the entire delivery are also definitive. The defence of acceptance without reservation is excluded. We are not obliged to accept part or additional deliveries that have not been agreed. We are entitled to return deliveries made before the agreed delivery date to the supplier, at the latter's expense and risk, or to charge storage costs.

2.7. Natural disasters, unrest, official measures, transport disruption, employment disputes and other disruptions of operations in our or our suppliers' business that lead to a suspension or restriction of our production or that prevent us from transporting the goods ordered will free us from our acceptance obligation for the duration and scope of their impact, insofar as we cannot avert the disruption, or averting it is not possible by reasonable means.

### 3. Quality

3.1. The supplier guarantees that the ordered goods meet the legal requirements and agreed condition. The supplier furthermore guarantees that the ordered goods are free of design, material or manufacturing faults.

3.2. The supplier must carry out a quality check that is suitable in terms of its nature and scope, and is in line with the latest technical developments.

3.3. Should we request an initial or reference sample, the supplier may commence series production only upon receipt of our express written approval.

3.4. We expect the supplier to ensure that the products it supplies to us are always state of the art in terms of quality, and to inform us of any possible improvements or technical modifications. Any modifications to the item being supplied, however, may be carried out only with our express prior agreement.

### 4. Prices, payment and transfer of ownership

4.1. The prices specified in the order always include delivery carriage paid to our factories. If, by way of exception, the prices are not agreed in advance, the contract will come into existence only after the binding prices to be quoted in the order confirmation have been accepted by us in writing.

4.2. Payment will be made after the receipt both of the goods in conformity with the contract, together with their proper accompanying documents, and of a proper and verifiable invoice. Unless a special arrangement has been reached, invoices will be settled on the 30th of the month following that of their receipt with a 3% discount, or within 60 days with no discount. This period will run from the receipt of the invoice and delivery. Deliveries that are made and accepted prior to the agreed delivery date will be classed as received only on the agreed delivery date.

4.3. Payment will be made using the payment method of our choice.

4.4. The supplier may not assign its accounts receivable from us, nor have them collected by third parties.

4.5. In the event of a defect in quality or title we are entitled to delay payment until this has been properly rectified.

4.6. If we have paid an advance or provided materials for processing, ownership of the goods ordered will pass to us when their manufacture commences. Transfer is replaced by the agreement that the goods will remain in the supplier's possession for processing until the agreed delivery date and will be held on our behalf.

### 5. Warranty and liability

5.1. In cases of defective delivery, the statutory regulations will be applicable unless otherwise specified below.

Rather than resorting to an exchange or reduction in price – to which we always reserve the right – we are entitled to request that the supplier eliminates the defects free of charge within a reasonable period of time (rectification).

Should such a situation arise in urgent cases and the supplier be unable to complete this rectification within the necessary deadline that we have been compelled to set, we are entitled, after prior consultation with the supplier and at the supplier's expense, either to undertake the rectification ourselves, to have it carried out by a third party, or to procure a replacement by other means.

The same applies if the supplier defaults on its guarantee obligations.  
If the statistical testing method described in the order establishes that the maximum permissible fault rate has been exceeded, we are entitled to file claims for defects with respect to the entire delivery or, further to prior notification, to test the entire delivery at the expense of the supplier.

5.2. The supplier will bear liability for replacements and rectification work to the same extent as for the original delivery item; for replacements, the guarantee period will start again.

5.3. The supplier will bear the costs and risk for the return of rejected goods, regardless of the location of the defective item.

5.4. In the case of repeated defective delivery and after previously threatening to claim for the damages incurred, we are entitled to withdraw from the outstanding part of the supply contract and, for successive supply contracts, to terminate them with immediate effect. Any non-amortised tool costs paid by us will be reimbursed.

### 6. Prohibition of substances

Supplied products must comply with the following guidelines and requirements, in particular:

6.1. RoHS Directives 2002/95/EC and 2011/65/EU  
Regardless of the scope of the RoHS Directive, none of the products' homogeneous materials are permitted to contain any of the substances listed in Annex II of European Directive 2011/65/EU (RoHS) in excess of the maximum concentration values listed therein. Exceptions are permitted if they fall under the applications listed in Annexes III and IV (RoHS).

6.2. REACH Regulation (EC) No. 1907/2006  
No products are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate List pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH).

In addition, none of the products' homogeneous materials are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate List pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH).

### 7. Third-party trademarks

7.1. The supplier is liable for ensuring that the use of the goods it supplies – insofar as they are designed by the supplier – does not directly or indirectly infringe domestic or overseas trademarks or other rights that do not enjoy special protection, and indemnifies us and our buyers from all resulting claims. Furthermore, the supplier is liable for any other direct or indirect losses or damage suffered by us due to its infringement of such rights.

7.2. Should the supplier establish during manufacturing that this could infringe trademarks or trademark applications, it must notify us of this without prompting and without undue delay.

### 8. Production tools and provided parts

8.1. Production tools such as drawings, models, samples, tools, gauges and the like that are provided by us to the supplier or that are produced by the supplier to our specifications, may not be sold, pledged or otherwise passed on to third parties, nor used for third parties in any way, without our written consent.

8.2. If we pay the supplier in full or in the main for production materials or tools, the supplier will transfer ownership to us. Transfer is replaced by a loan agreement, on the basis of which the supplier is entitled to be in possession of the production tools or materials until we cancel such entitlement.

The processing of materials and the assembling of parts will be carried out on our behalf. It is understood that we are joint owners of the products manufactured using our materials and parts, to the extent of the value of the production materials provided as a proportion of the value of the product as a whole, and that the supplier is holding these products in safe custody for us. The supplier does not have a right of retention over any such production tools owned by us.

8.3. Costs for the care, maintenance and renovation of the production tools supplied by us, produced to our specifications or paid for by us in full or in the main will be borne, in principle, by the supplier. These production tools may be modified only with our prior written consent. They must be returned to us upon our request and at the supplier's risk and expense.

8.4. The supplier is obliged to insure the production tools on our behalf against fire, water and damage at its own expense.

8.5. Provided parts that are owned by us must be returned to us without undue delay at our request. No right of retention may be asserted unless the claim underlying this right of retention is uncontested by us or has become *res judicata*.

8.6. The supplier must verify that provided parts are free from defects without undue delay. If a part provided by us is culpably damaged or destroyed while the supplier is responsible for it, the liability of the supplier will also extend to the repair or replacement of the provided part.

#### **9. Confidentiality and advertising**

9.1. The supplier is obliged to view the order and all associated commercial and technical details as trade secrets and to treat them as strictly confidential. This obligation must be passed on to sub-contractors.

9.2. The supplier may refer to its business relationship with us in its advertising only if we have given our prior, written agreement to this.

#### **10. Duties, origin, export control, and supply chain security**

The supplier guarantees compliance with these terms of delivery within the supply chain. The supplier undertakes to provide, at our request, appropriate evidence, for example through certificates or declarations (e.g. security declarations for Authorised Economic Operators (AEOs) and declarations as part of C-TPAT or similar programmes) to support us during any audits by the authorities.

#### **11. Compliance**

The supplier gives its assurance that it will comply with the applicable laws regulating the general minimum wage and that it will require any sub-contractors that it engages to comply with these in equal measure. The supplier will furnish proof of its compliance with the above assurance upon request. If the above assurance is breached, the supplier will indemnify us from any third-party claims and must reimburse us for any fines that are imposed on us in this connection.

The supplier will comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety, and will work towards reducing the adverse effects of its activities on people and the environment. To this end, the supplier will set up and develop, as far as it is able, a management system in accordance with ISO 14001. The supplier will furthermore observe the principles of the UN's Global Compact Initiative, which essentially concern the protection of international human rights, the abolition of forced labour and child labour, the elimination of discrimination in respect of employment and occupation, and responsibility for the environment

#### **12. General**

12.1. Ordering and making deliveries are subject exclusively to the laws of the customer's country. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is ruled out.

12.2. The place of jurisdiction is the registered office of the ordering company. The Company reserves the right to institute legal proceedings at any other admissible place of jurisdiction.

LAPP