

# General Purchasing Conditions

General Purchasing Conditions of  
LPW Reinigungssysteme GmbH

## 1. Applicability

1.1 These General Terms and Conditions of Business apply with respect to businesses within the meaning of § 14 of the German BGB (Civil Law Code), legal persons under public law and funds under public law.

1.2 We order deliveries and services solely subject to these General Terms and Conditions of Business. We do not recognize any conflicting or deviating terms and conditions issued by the supplier unless we have expressly agreed in writing to their applicability. Our General Terms and Conditions of Business also apply if we accept deliveries or other services from the contracting party in awareness of the existence of conditions issued by him which contradict or deviate from our own.

1.3 Our General Terms and Conditions of Business also apply for all future deliveries and services to us until our new General Terms and Conditions of Business become effective.

## 2. Offer and conclusion of contract, offsetting, right of retention

2.1 We are bound by our order for two weeks from the date of receipt by the supplier. It must be confirmed in writing within this period.

2.2 We retain copyrights and rights of ownership to all illustrations, drawings, calculations and other documents; they may not be made available to third parties without our express permission. They are to be used solely for the manufacture as specified in our order and are to be returned to us immediately, without being requested, once the order is completed. They may not be disclosed to third parties.

2.3 Additional verbal agreements apply only if we have confirmed them in writing.

2.4 We have the right to set-off and retain payments to the extent permitted by law. The supplier may only offset a counter claim that is undisputed or legally binding. The supplier only has the right of retention if it is based on the same contractual relationship.

2.5 The assignment of claims against us is only effective if we have given our written permission. This does not apply to assignments to credit institutes for the purpose of securing business loans or when agreeing an extended period of retention of ownership.

## 3. Prices, terms of payment

3.1 The price given in the offer is binding. The price includes freight charges and packaging costs for delivery to us. Packaging can be only be returned if specially agreed.

3.2 Our prices include statutory VAT.

3.3 We can only process invoices if, according to the specifications in our order, they state the order number shown there; the supplier is responsible for all consequences of not observing this obligation. The invoice must comply with the legal provisions.

3.4 If nothing else has been agreed, payment will be made within 14 days with 3% discount or 30 days net. The payment period begins on receipt of the service in accordance with the contract and a proper and verifiable invoice.

## 4. Delivery time

4.1 The delivery dates given in our order are binding. If the supplier has not kept to the agreed delivery date and if we have unsuccessfully given him an appropriate period to fulfil his

obligation, we have the right to withdraw from the contract either fully or partly at our discretion. If the supplier defaults, he shall compensate us for any damages arising for us due to this.

4.2 The supplier is obliged to inform us immediately in writing if circumstances arise or can be anticipated by him which result in his inability to meet the agreed delivery date.

4.3 The acceptance without reservation of a delayed delivery or service does not constitute a renunciation of the rights to which we are entitled due to the delay.

## 5. Transfer of risk, documents

5.1 Delivery and shipping to our business address or a delivery address given by us are at the risk of supplier, carriage paid. The supplier bears the costs for packaging, freight and insurance. In the event that delivery ex-works is agreed in individual cases, the supplier shall arrange for the cheapest shipment for us and for the legal declaration (for the value of the goods). The supplier is liable for transport damages in this case as well.

5.2 The supplier is obliged to state our order number exactly on all shipping documents and delivery notes; failure to do so will result in unavoidable delays in processing for which we bear no responsibility.

5.3 If a carrier is commissioned on our behalf it must be pointed out that we are exempted from the mandatory freight forwarders' insurance. Transport insurance will be taken out by us if we are obliged to do so according to the agreed delivery clause (most recent Incoterms). When preparing the shipping documents, the supplier must ensure that customs clearance takes place in our factory and that we are exempted from the obligation to present the goods. For deliveries from preference countries, the supplier must enclose evidence of preference with each delivery. The long-term supplier's declaration according to regulation EC 1207/2001 must be presented once per year. We must be informed immediately if the delivered good require an export permit.

## 6. Defects, liability for defects

6.1 We will notify the supplier of any defects with the delivered goods within 14 days of receiving the goods insofar as they can be identified during examination as part of our normal business procedures. We will report defects that could not be identified during such an examination within 10 days of them becoming known to us. The timely dispatch of the defect notification to the supplier is sufficient in order to safeguard the deadline.

6.2 The supplier guarantees that the delivered goods conform to the legal provisions applicable for their use and that they conform to state-of-the-art technology and do not violate any third party rights. By confirming the order as specified in item 2.1 clause 2 of these purchasing conditions, the supplier also guarantees that the ordered goods have the qualities demanded by us.

6.3 We are entitled to all full legal claims on account of defects or malfunctions. Furthermore, we also have the right to withdraw from the contract or the right to compensation in lieu of entire performance even in the case of slight deviations from the agreed quality or in the event of slight impairment of usability. Irrespective of this, we are entitled, at our own discretion, to demand rectification of the defect or a replacement delivery from the supplier. In this case, the supplier is obliged to bear all necessary expenses for the purpose of rectifying the defect or for the replacement delivery. We expressly retain the right to compensation, especially compensation in lieu of performance or because of a violation of obligation (§§ 280 - 284 BGB).

6.4 The supplier shall ensure that he has all property rights to all delivered items and no other third party rights exist (such as rights of lien, other creditor positions from assignments of claims or other credit securities, sales of receivables, hire purchase, conditional sale etc.).

## General Purchasing Conditions

6.5 Claims due to defects lapse in 36 months. The period begins with the transfer of risk according to § 438 section 2 BGB. The above provisions do not apply if the law according to § 438 section 1 no. 2 BGB (items for buildings), § 479 section 1 BGB (recourse claim) and § 634 a BGB (building defects) defines longer periods.

6.6 If defects arise within 3 months of delivery, it is assumed that the defects already existed at the time of delivery. The supplier has the right to prove otherwise.

6.6 If we have concluded a quality assurance agreement with the supplier, the provisions contained therein remain unaffected by these General Purchasing Conditions.

### 7. Product liability, indemnity, liability insurance cover

7.1 If the supplier is responsible for product damages, he is obliged to indemnify us from third party claims for compensation at the first request, since the cause lies within his sphere of control and organization and he is liable himself in relation to third parties.

7.2 The supplier undertakes to take out product liability insurance providing €5 million of cover per personal injury/material damage - all-in; any additional claims to which we are entitled shall not be affected. We can demand proof of the existence of the insurance from the supplier.

### 8. Property rights

8.1 The supplier guarantees that no third party rights are violated within the Federal Republic of Germany in connection with his delivery. If he is responsible for violations, he is also obliged to pay us compensation.

8.2 If claims are asserted against us by a third party due to a culpable infringement of property rights by the supplier, he shall be obliged to indemnify us from these claims upon first request. We will only conclude any agreements with the third party with the consent of the supplier. This applies particularly to settlements.

8.3 The supplier's indemnification obligation refers to all necessary expenses incurred by us, from or in connection with the claims asserted by a third party.

### 9. Retention of title, own materials, tools, non-disclosure

9.1 In the event that we provide the supplier with parts to be processed, we retain ownership of said parts. This applies especially when delivering them or having them delivered. The supplier carries out the processing or alteration on our behalf. Should our retained goods be processed together with other items not belonging to us, we acquire the co-ownership of the new object in proportion to the value of our items to the other processed items at the time of processing.

9.2 If the items provided by us are inseparably combined with objects not belonging to us, we acquire the co-ownership of the new object in proportion to the value of the retained items to the other processed items at the time of processing. If the items are combined in such a fashion that the item belonging to the supplier is viewed as the main item, then it is deemed agreed that the supplier transfers a proportionate share of the ownership to us; the supplier keeps the sole ownership or the co-ownership on our behalf.

9.3 We retain ownership of any tools; the supplier is obliged to use the tools solely for the manufacture of the goods ordered by us. The supplier is obliged to insure the tools belonging to us at replacement value and at his own cost against fire and water damage and theft. He is obliged to carry out the necessary maintenance and inspection work in good time and at his own cost. He is to notify us immediately of any malfunctions; culpable failure to do so shall not have any effect on damage compensation claims.

9.4 The supplier is obliged to keep strictly secret all illustrations, drawings, calculations and other documents and information. They may only be disclosed to third parties with our express permission. The obligation to non-disclosure also applies after expiry of this contract; it ceases when and to the extent that the manufacturing knowledge contained in the provided illustrations, drawings, calculations and other documents becomes generally known.

### 10. Applicable law, place of fulfilment, place of jurisdiction

10.1 The contract is governed exclusively by German law. The provisions of international private law do not apply. The provisions of the UN Sales Convention do not apply.

10.2 Place of fulfilment is our head office or the agreed delivery location.

10.3 German courts have exclusive international jurisdiction. Place of jurisdiction of our registered office. We may also choose to bring charges at the registered office of the supplier.

### 11. Severability clause

If individual clauses of these terms and conditions are or become invalid, this does not affect validity of the remaining clauses.

LPW Reinigungssysteme GmbH  
Industriestraße 19  
D-72585 Riederich

Phone +49 71 23 3804-0  
Fax +49 71 23 3804-19  
Email: [info@pw-cleaning.com](mailto:info@pw-cleaning.com)