



General Terms and Conditions of Purchase

High Tech Alloys

Special materials GmbH

§ 1 General - Scope of application

(1) Our General Terms and Conditions of Purchase shall apply exclusively to all current and future business relations with our contractor regarding the manufacture, purchase and/or provision of services and work contract services and deliveries through our orders, even without express reference thereto. We do not recognise any terms and conditions of the contractor that conflict with or deviate from our terms and conditions of purchase, unless we have expressly agreed to their validity in writing before accepting the respective order. Our General Terms and Conditions of Purchase shall also apply if we accept the services or delivery without reservation in the knowledge that the contractor's terms and conditions conflict with or deviate from our Terms and Conditions of Purchase.

(2) All agreements made between us and the contractor for the purpose of executing an order shall be recorded in writing.

(3) Our General Terms and Conditions of Purchase do not apply to natural persons who conclude a legal transaction with us only for a purpose which can be attributed neither to their commercial nor to their self-employed professional activities.

(4) Customary commercial clauses shall be interpreted in accordance with the respective INCOTERMS 2010.

§ 2 Offer - Offer Documents

(1) An order is only legally binding if it was made by us in writing in accordance with § 126 BGB.

(2) We may cancel our order free of charge if the contractor has not accepted it in full within two weeks after dispatch by means of an order confirmation received by us. Any deviations, changes or additions to our order will only become part of the contract as soon as we have confirmed them in writing.

(3) We reserve the exclusive property rights and copyrights to illustrations, drawings, calculations and other documents transmitted or made available from us; they may not be made accessible to third parties without our express written consent. They are to be used exclusively for production / execution on the basis of our order. After completion of the order, they are to be returned to us without request or destroyed with our consent. They must be kept secret from third parties.



§ 3 Prices - Terms of payment

(1) The contractually agreed price is a total fixed price and binding. In particular, the price includes costs for freight "free domicile / delivery duty paid (DDP)", including packaging, insurance, customs duties, material testing procedures, as well as all expenses which the contractor has to bear in order to fulfil his performance obligations. The obligation to return the packaging requires special agreement.

(2) The statutory value added tax is included in the price.

(3) Invoices are not due and cannot be processed by us unless they comply with legal requirements, in particular the VAT Act, or contain no or the wrong order and/or customs tariff number or a clear description of the delivery item or the service to be provided as well as other information instructed by us is missing, or these are incomplete or incorrect.

(4) Unless otherwise agreed in writing, we shall pay the purchase price within 14 days, calculated from contractual delivery / performance and receipt of a complete, verifiable invoice and all required documents, including material samples and inspection reports, with 3% discount or net within 30 days after receipt of invoice. Discount deduction is also permissible if we offset or withhold payments in an appropriate amount due to defects or claims for damages. In the case of agreed partial deliveries / services, the invoice shall only become due after complete and verifiable invoicing of the last contractually agreed delivery / service.

(5) We are entitled to set-off and retention rights to the extent permitted by law. The contractor may only offset with or against undisputed or legally established claims. We are entitled to reduce invoice contributions, irrespective of the respective order, in order to reduce the value of returned goods, as well as any set-offs and claims for damages. We are also entitled to offset claims due to a company in which the contractor has a share of at least 50%.

(6) The contractor is only entitled to assign his claims to third parties with our prior written consent.

(7) If advance payments have been agreed between the contracting parties, they shall only be made against an unlimited bank guarantee in accordance with our conditions.

(8) Payments, even those without reservation, do not constitute recognition.

§ 4 Scope of services - Quality assurance

(1) The scope of services results from the respective individual order and its specification. The contractor guarantees to fulfil the latest state of science and technology for the provision of his deliveries and services as well as to comply with the safety regulations of the authorities and professional associations as well as the relevant legal regulations, standards and other specifications.

(2) The scope of services includes, among other things that the contractor transfers the ownership of the goods and the contractually agreed documents to us, unrestricted and unencumbered, and grants us a non-exclusive, transferable, spatially and temporally unlimited right to use the deliveries and services.



(3) As long as the contractor has not yet fully fulfilled his contractual obligations, we shall be entitled to demand changes to the order within the scope of what is reasonable and customary in the industry. The associated effects, in particular on additional or reduced costs, as well as the delivery dates, shall be settled by mutual agreement.

(4) The contractor shall set up and maintain a documented quality assurance system of a suitable type and scope and in accordance with the latest state of the art in science and technology. Records of manufacturing and testing processes and measures taken to improve the relevant quality characteristics and to achieve the agreed quality specifications and guarantees must be kept and forwarded to us without being asked. The contractor agrees to an audit by us or by our representatives. In doing so, the contractor shall oblige sub-suppliers to the same extent.

§ 5 Delivery time

(1) The delivery and service times stated in the order are binding. The timeliness of deliveries or subsequent performance shall depend on receipt at the place of receipt specified by us, and the timeliness of services shall depend on their acceptance. A delivery and service before the agreed dates entitles us to reject it until due date.

(2) The contractor is obliged to inform us immediately in writing if circumstances arise or become apparent to him which indicate that the stipulated delivery or performance period cannot be met.

(3) If the contractor does not deliver or perform within a reasonable period of grace set by us, we are entitled to refuse acceptance without further notice, to withdraw from the contract and to claim damages for non-performance in accordance with the statutory provisions. We are entitled to withdraw from the contract in any case irrespective of fault, to make claims for damages only depending on fault.

(4) Unless otherwise agreed in writing, we are entitled to charge a contractual penalty of 0.5% of the net order value for each commenced calendar day of the delay, but in no case more than 10.0%. We reserve the right to assert further contractual and legal claims.

(5) If, upon acceptance of the deliveries or services, no corresponding reservation is made to assert contractual or statutory rights, these may be asserted at any time until the final payment.

§ 6 Withdrawal and termination in special cases

(1) We are entitled to withdraw from the contract in whole or in part without setting a deadline or to terminate the contract in whole or in part if the contractor applies for the opening of insolvency proceedings, insolvency proceedings have been opened or the opening has been refused for lack of assets. In such cases we shall be entitled to make claims against the contractor's existing facilities for the continuation of the work as well as his own suppliers against reasonable remuneration or to have the contractual relationships with his suppliers assigned to us.



(2) We are further entitled to withdraw from the contract with immediate effect if the contractor promises, offers or grants advantages of any kind to an employee, agent or vicarious agent involved in the preparation, conclusion or execution of the contract or in the interest of a third party.

(3) Other contractual or statutory rights of termination and withdrawal remain unaffected.

§ 7 Transfer of risk and ownership - Documents

(1) Unless otherwise agreed in writing, deliveries shall be free domicile; risk and ownership shall pass to us upon receipt of the goods at the place of receipt specified by us. In the case of services, risk and ownership shall pass upon acceptance. Any extended or extended retention of title is excluded.

(2) If defective information on shipping documents and delivery notes (e.g. order number) or markings of the goods by the contractor or by vicarious agents commissioned by him lead to damage or additional costs, the contractor must bear these.

§ 8 Obligation to inspect and give notice of defects

(1) We are obliged to check the goods within a reasonable period of time for externally recognizable transport damage and externally recognizable deviations in identity and quantity within the framework of an incoming goods inspection; Furthermore, defects shall be notified immediately as soon as they are detected in accordance with the customs of a proper course of business. In this respect, the contractor waives the objection of late notification of defects in accordance with §§ 377, 381 HGB in the case of other than obvious defects.

(2) We are not responsible to the contractor for any further inspections and notifications than those mentioned above.

(3) We are entitled to charge back the invoice amount to the contractor and to claim expenses for the return shipment if the goods are defective.

§ 9 Claims arising from material defects and defects of title

(1) The contractor is responsible for this and assures that his delivery or service has the agreed quality and fulfils the intended purpose of use, in particular complies with our specifications, plans, drawings or other requirements. Deliveries and services which show a material or legal defect are to be replaced immediately after our notification free of charge, including the assumption of additional costs (e.g. freight) by the contractor, by defect-free, or defective services are to be repeated free of defects.

(2) Repair of defective deliveries or services requires our consent. During the period in which the goods are not in our custody due to the subsequent performance, the contractor bears the risk.



(3) Should the contractor not immediately begin with subsequent performance, or should an urgent case arise in particular to avert unusually high damage caused by delay, to eliminate minor defects or danger in default, we are entitled, after setting an appropriately short period of grace, to take the necessary measures (e.g. subsequent performance by third parties) and to remedy any resulting damage at the contractor's expense, to withdraw from the contract completely or partially without compensation or to reduce the price and in any case to demand damages instead of delivery or performance.

(4) Claims for material defects shall become statute-barred after 36 months, claims for defects of title after 60 months, in each case from the transfer of risk or acceptance, unless longer periods are provided for by law. Insofar as the contractor fulfils his obligation to remedy defects in the case of deliveries or repeats these in the case of defective services, the associated limitation periods shall begin to run again. The limitation periods shall be suspended for the period beginning with the dispatch of our notice of defects and ending with the counter-performance or acceptance of the defect-free subsequent performance or repeated performance by the contractor.

(5) Our statutory claims for material defects and defects of title, in particular with regard to subsequent performance, withdrawal, reduction and damages shall remain expressly reserved and unaffected.

§ 10 Liability

(1) The contractor is generally liable within the framework of the statutory provisions.

(2) Upon first request, the contractor shall indemnify us against all claims of third parties, irrespective of the legal grounds, in the event of damage under the Product Liability Act, insofar as the cause of the damage is within his sphere of control and organisation and he himself is liable in the external relationship. The indemnification obligation also relates to expenses which we necessarily incur from or in connection with the claim by a third party, including the costs of legal representation. This also includes all expenses resulting from recalls carried out by us or third parties. We will inform the contractor about the content and scope of the recall measures to be carried out, as far as possible and reasonable, and give him the opportunity to comment.

(3) The contractor undertakes to maintain liability insurance, including product liability cases, with a sum insured of € 10 million per case of damage and for all types of damage, lump-sum.

§ 11 Industrial Property Rights

(1) The contractor is responsible for ensuring that no rights of third parties are infringed in connection with his delivery or service.

(2) The contractor shall be liable in accordance with the statutory provisions for claims arising from the infringement of industrial property rights and applications for industrial property rights when the supplies or services are used in accordance with the contract. If a claim is made against us by a third party in this respect, the contractor is obliged to immediately indemnify us against these claims upon first written



request. The indemnification obligation also relates to expenses which we necessarily incur from or in connection with the assertion of claims by a third party, including the costs of legal representation.

(3) The contractor undertakes to regularly check the deliveries and services for defects of title within the scope of his obligations and to point out any conflicting industrial property rights to us. A violation of this obligation is subject to the regular statutory limitation period.

§ 12 Retention of title – Provided Parts - Means of Production -

(1) If we deliver and/or provide parts to the contractor, we reserve title to them; processing or transformation by the contractor shall be carried out for us. If our reserved goods or our materials, materials or semi-finished products are processed with other objects not belonging to us, we shall acquire co-ownership of the new object in proportion to the value of our object to the other processed objects at the time of processing.

(2) If the reserved goods provided by us or our materials, materials or semi-finished products are inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new object in proportion to the value of the reserved goods to the other mixed objects at the time of mixing. If the mixing is carried out in such a way that the object of the contractor is to be regarded as the main object, it is agreed that the contractor transfers co-ownership to us on a pro rata basis, whereby the contractor keeps the sole ownership or co-ownership for us free of charge and at his risk.

(3) We reserve title to models, tools, templates, drawings or other means of production made available to the contractor by us or made by the contractor at our expense. The contractor is obliged to use these exclusively for the production of the goods ordered by us, not to hand them over to unauthorized third parties or otherwise make them accessible and to return them immediately including all duplicates made without request after execution of the contract. The contractor is not entitled to assert a right of retention.

(4) The contractor is obliged to handle and store the listed means of production carefully and to insure them at replacement value at his own expense against fire, water, theft, loss and other damage, assigning all claims against the insurance company.

(5) The contractor is obliged to carry out any necessary maintenance and inspection work as well as all maintenance and repair work on our means of production in good time at his own expense and risk. He must notify us immediately of any malfunctions. If he culpably fails to do so, claims for damages shall remain unaffected in this respect.

§ 13 Confidentiality and Data Protection

(1) All information and documents transmitted to the contractor in writing or orally, which are recognisable as confidential according to their content or an explicit marking, must be provided by the contractor.



§ 14 Reservation Clause

(1) Our performance of the contract is subject to the proviso that no obstacles due to national or international provisions of foreign trade law or embargoes and/or other sanctions stand in the way.

(2) The reservation stated in paragraph (1) as well as a right of withdrawal deriving from it also exists for us if the service, service or sales contract performance or delivery provided by the contractor during the manufacturing or sales process violates relevant national or international legal norms or jurisdiction. These also include violations of regulations, standards or directives of the European Union and other countries, such as REACH (Regulation concerning the Registration, Evaluation, Authorisation and Restriction of CHemicals), RoHS (Restriction of Hazardous Substances) or the Dodd-Frank-Act, Section 1502 (Conflict Minerals). The contractor shall indemnify us against any claims of third parties in the event of a breach of paragraph (2).

§ 15 Place of Jurisdiction - Place of Performance

(1) The general place of jurisdiction for all disputes arising directly or indirectly from the legal relationship with the contractor is our registered office. However, we are also entitled to sue at the registered office of the contractor.

(2) The substantive and procedural law of the Federal Republic of Germany shall apply to all legal relationships between us and the contractor to the exclusion of private international law and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

(3) Unless otherwise stated in the order, our registered office is the place of performance.

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