

Parker Hannifin GmbH - General Conditions of Purchase

1. Scope

- (a) Our General Conditions of Purchase shall exclusively apply to all orders; contrary or divergent terms of the Supplier shall only be recognised where we have given our express approval. Our General Conditions of Purchase shall also apply even where, being aware of contrary or divergent terms of the Supplier, we accept a delivery without reservation.
- (b) All agreements concluded between us and the Supplier for the performance of this agreement are contained in written form in this agreement. No supplementary agreements have been concluded.
- (c) Our General Conditions of Purchase shall only apply to entrepreneurs in the sense of Art. 14 German Civil Code and also for all future transactions with the Supplier even where this has not been expressly agreed again.

2. Ordering

- (a) Our orders shall only be binding where they are issued in writing with a legally binding signature or by fax (and in electronic form). Any order issued by us shall be confirmed by the Supplier in writing within 7 days. Where no confirmation or delivery is received from the Supplier within this time, we shall no longer be bound by the order.
- (b) The Supplier may issue sub-orders only with our approval.

3. Delivery

- (a) Confirmed delivery dates shall be binding. Each consignment must be accompanied by a delivery slip.
- (b) The Supplier shall notify us immediately where delivery delays are threatened which may lead to the impairment of the consignment in terms of time or quality. Irrespective of this, the Supplier shall reimburse all additional costs incurred through culpably delayed consignments or services. All costs caused by the Supplier such as express freight, express, telephone or fax charges, etc., shall be to the account of the Supplier. We further reserve the right to claim damages under the scope of legislation and/or to withdraw from the contract.
- (c) The acceptance of a delayed consignment or service does not imply any waiver of the right to claim damages or to withdraw.

4. Acceptance

- (a) We are entitled to calculate storage costs for consignments which are delivered prior to the agreed date or for additional deliveries in excess of the agreed quantity or, where we cannot be reasonably expected to undertake the storage, to return such consignments to the Supplier at his expense and at his risk.
- (b) Where the consignment is being shipped on the basis of a schedule line, we are only obliged to accept the quantities thereof which have been contractually agreed.

- (c) Force majeure events such as strikes, lock-outs, operational interruptions as well as operational restrictions and similar occurrences which result in a drop in consumption or turnover with regard to the Supplier's goods entitle us to withdraw from the contract.
- (d) The values we establish during our incoming goods and quality checks shall apply with regard to dimensions, quantities and quality.

5. **Prices and Payment Terms**

- (a) Order prices are net and do not include VAT. VAT shall always be paid in addition, except where some other express arrangement has been agreed.
- (b) An invoice for each order shall be sent to us after each delivery. The order details contained in the order letter shall be cited in full in the invoice.
- (c) Unless otherwise agreed, the purchase price shall be paid within 14 days of receipt of consignment and invoice with a 3% cash discount or within 30 days after receipt of invoice net. The proper receipt of the goods is a prerequisite of payment.
- (d) We are entitled to set off and retain title within the scope of the law.

6. **Transfer of Risk**

- (a) The risk shall transfer to us once the consignment has been properly handed over at the place of performance and accepted.
- (b) The transport risk shall be borne by the Supplier.

7. **Warranty Claims**

- (a) We are obliged to examine the goods for any defects within an appropriate period of time. Obvious defects shall not be notified within 7 days of receipt of the goods; defects which are not immediately visible shall be notified within 14 days of being identified.
- (b) We are entitled to demand, at our discretion, that the Supplier either replace defective goods or remedy the defect. The Supplier may only refuse the form of supplementary performance we have chosen on the grounds of disproportionate cost where such costs would exceed the value of the goods in defect-free condition. Our right to make further claims shall remain unaffected.
- (c) Where supplementary performance fails, we are entitled to withdraw within the scope of legislation. Supplementary performance shall be deemed to have failed after one unsuccessful attempt, provided that the type of product or defect does not indicate that we are required to accept a further attempt at supplementary performance.
- (d) We expressly reserve the right to claim damages. Warranty disclaimers on the part of the Supplier are not permissible.
- (e) We are entitled to remedy defects ourselves or to have them remedied at the expense of the Supplier, or to undertake shortfall purchases, where exigency or particular urgency applies and it is no longer possible to notify the Supplier with a deadline because of such particular urgency.

- (f) The statute of limitations shall be 36 months starting from the delivery date of the given item. The statute of limitations shall be suspended while the Supplier attempts supplementary performance.
- (g) Arts. 478 and 479 German Civil Code shall remain unaffected.

8. **Safety Regulations**

- (a) The machinery, apparatus, equipment, tools and installations we order must meet the latest accident prevention regulations and be accident-proof.
- (b) Electrical parts of the above mentioned items must be of the latest technological standard and be in keeping with the latest VDE regulations.

9. **Third Party Property Rights**

The Supplier guarantees that no third party rights are being violated in connection with his deliveries. Where a claim is made against us by a third party, insofar as he is culpable, the Supplier shall indemnify us against any claims on receipt of our first written demand. The Supplier's obligation to indemnify shall relate to all expenditure arising out of or in connection with any third party claims. Where a violation of third party rights is incurred because of a defect, our rights specified at 7 above shall apply.

10. **Non-Disclosure Clause**

- (a) The Supplier shall treat as confidential any information to which he shall become privy in consequence of his business relationship with us or which we have disclosed to him. Within his operation the Supplier may make such information available only to those persons for whom such information is necessary for the purpose of delivery and who are themselves bound to observe confidentiality.
- (b) No 10 (a) shall not apply with regard to information
 - of which the party who received the information ("**receiving party**") can verifiably demonstrate that it was already aware prior to disclosure provided that the receiving party informs the party which disclosed the information ("**disclosing party**") within one month of receipt of such information;
 - which at the time of its disclosure to the receiving party was already in the public domain or accessible, or entered the public domain or became accessible after disclosure without any violation of this contract on the part of the receiving party;
 - that the receiving party shall receive from third parties provided that this information does not form part of a non-disclosure agreement with the disclosing party;
 - the disclosure of which to third parties has been approved in advance in writing by the disclosing party; or
 - to the disclosure of which the disclosing party is obliged either under legislation or by court

order or by official directive.

- (c) The obligation to observe confidentiality shall also apply after the contractual relationship has ended.
- (d) Any information obtained by the Supplier shall remain our property and shall be returned to us without delay on demand. This shall also apply to any objects temporarily lent to the Supplier.

11. **Miscellaneous**

- (a) The place of performance for deliveries shall be our company business premises specified in the order. The sole and exclusive place of jurisdiction for any disputes arising out of or in connection with these Conditions (including any relating to tort claims) between the Parties shall be Bielefeld.
- (b) This contract shall be governed by German law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- (c) Data to which we are given access by the Supplier for the performance of the contract shall be stored in keeping with the provisions of the Federal Data Protection Act.
- (d) Where one of the provisions of these Conditions or any other provision in any other contract is or should become invalid or where any loophole is contained this shall not affect the validity of the remaining provisions or the contracts as a whole. Loopholes shall be filled with such valid provisions as would have been agreed by the Contracting Parties in keeping with the economic purpose of the contract and these General Conditions of Purchase had they recognised the loophole in the first instance.