



General Purchase Conditions

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I. General / scope of application

1. These General Conditions of Purchase apply to all contracts entered into by LESER and a supplier or subcontractor (in the following jointly referred to as the "Supplier") for the delivery of goods and the performance of other services (in the following jointly referred to as "Products") to LESER GmbH & Co. KG or Gebr. LESER KG (in the following jointly referred to as "LESER"). In the case of continued business relations between LESER and the Supplier, they shall also apply to future contracts even if they are not enclosed with such contracts.
2. These General Conditions of Purchase shall apply exclusively. Any conflicting or deviating terms or conditions of the supplier shall not be accepted by LESER, unless such terms or conditions were approved of by LESER expressly. These General Conditions of Purchase also apply, even if LESER, knowing that conditions conflicting with or deviating from these General Conditions of Purchase, accepts Product deliveries from the Supplier without reservation.
3. Other agreements by the contracting parties shall have priority over these General Conditions of Purchase. In this case, these General Conditions of Purchase shall be considered as a supplement only.

II. Offers and cost estimates, orders, contract awards

1. Offers or cost estimates submitted by the Supplier shall not constitute a purchase obligation for LESER. LESER shall not be obliged to bear the costs incurred by preparing an offer or cost estimate, unless otherwise expressly agreed.
2. Unless otherwise stipulated by the parties, the specifications applying to the Products to be supplied by the Supplier shall be determined in the orders or calls (in the following jointly referred to as the "Calls"), based on performance descriptions, drawings, call texts or by reference to LESER works standards or other standards and regulations. If the LESER works standards (e.g. LESER Global Standard LGS, LESER Deutschland Standard LDeS) referred to in the Calls are not available to the Supplier, the Supplier shall request these from LESER. The individual Calls also indicate the relevant supply quantities and delivery times.
3. If the Supplier fails to accept a Call by LESER within two weeks after receipt of the Call, LESER shall be entitled to cancel the Call. If LESER, in a Call, stipulates a delivery time deviating from the time specified in Article IV, Par. 8, 2nd sentence, and the Supplier accepts the Call, but not the deviating delivery time, the delivery time indicated in Article IV, Par. 8, 2nd sentence, shall be valid. The same applies accordingly in case LESER specifies a quantity / batch size deviating from the purchase quantity or batch size specified in a previous agreement.

Calls by LESER in the context of a call schedule are considered accepted, unless the Supplier opposes within three work days after receipt. If LESER, in a Call, stipulates a delivery time deviating from the time specified in Article IV, Par. 8, 2nd sentence, and the Supplier does not reject the Call, but rejects the deviating delivery time, within three work days after receipt, the delivery time indicated in Article IV, Par. 8, 2nd sentence, shall be valid. The same applies accordingly in case LESER specifies a quantity / batch size deviating from the purchase quantity or batch size specified in a previous agreement.

Disclosure cat.:	II	proofread by:	PF	publish date:	12/18/18	effect.date:	12/18
author:	DF	released by:	DF	replaces:	LDeS5900.00	status:	Publishe
resp. depart.:	MM	date of release:	12/18/18	revision No.:	3		
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III. Modifications of the contract, other declarations made by the Supplier

1. Side agreements, as well as later modifications of or amendments to the contracts entered into by the parties shall generally be made in written form (e.g. letter, fax, e-mail). They can also be made verbally, but have to be confirmed in written form later (e.g. letter, fax, e-mail).
2. Any other declarations and notifications of the Supplier in connection with the contracts entered into by the parties shall be made in written form in order to take effect (e.g. letter, fax, e-mail).

IV. Terms of delivery/delivery times

1. Unless the parties to this agreement agree otherwise, delivery shall be effected "delivered duty paid" (DDP as per INCOTERMS 2010), including transport-safe packaging.
2. The permissible maximum weight per packing unit is 1,000 Kg. In case the permissible weight per packing unit is exceeded, the Supplier shall bear all and any resulting additional costs.
3. The Supplier shall be obliged to indicate the LESER order number, the LESER order position, the delivered quantity and the LESER material number on the bills of delivery as well on the packages, such that the information can be seen easily. If the Supplier fails to meet this requirement, the Supplier shall be held responsible for any resulting delays.
4. As regards the number of items, weights and dimensions, the values determined by LESER during the incoming goods inspection shall be binding, subject to other evidence.
5. In case the Supplier was also contracted for installation or assembly, the Supplier shall bear all and any extra costs incurred for installation and assembly (e.g. travel expenses, provision of tools, labour costs, etc.).
6. If the scope of Product supply agreed with the Supplier includes the provision of certificates or other documents, the delivery shall be considered fulfilled only when such documents have been submitted to LESER in the specified type and scope. The documents, in DIN-A4-PDF-format, unencrypted, OCR ready and PDF/A-conform must be sent by e-mail to material@leser.com upon the time of shipment of the Products, at the latest.
7. Partial deliveries shall be permissible only if LESER approved of such partial deliveries in writing expressly.
8. Delivery times shall be binding. The delivery time shall be 10 working days from the date on which the Supplier receives the Call by LESER, unless a deviating delivery time applies as per the stipulations of the Article II, Par. 3, or if the contracting parties have agreed on a different delivery time before making the Call. The Supplier shall inform LESER immediately in writing if the Supplier finds out that delivery of the Products within the delivery time will not be possible. If agreed deadlines or times are not complied with, the relevant statutory regulations shall apply. Unreserved acceptance of delayed deliveries shall not be considered a waiver of the rights and claims LESER may have in connection with the delayed delivery. This shall be valid until the relevant delivery has been paid in full by LESER.
9. In the case of a delay, LESER shall be entitled to claim, for each day of the delay, a penalty amounting to 1%, but not more than 10% of the order value. The above provision shall not apply if the Supplier can verify that the Supplier is not responsible for the default/delay. Claiming payment of the penalty shall not prevent LESER from claiming damages exceeding the penalty.

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V. Payment / transfer of ownership / invoices

1. The prices for the Products agreed upon by the contracting parties shall be binding. Product prices are net end prices, i.e. they include all and any additional costs (particularly for transport, packaging, etc.) incurred by the Supplier, depending on the type of delivery agreed (see Article IV, 1 of these General Conditions of Purchase), as well as all and any secondary services to be performed by the Supplier in order to fulfil the agreement properly (e.g. quality assurance measures), unless provided for otherwise. The prices do not include the applicable VAT.
2. LESER shall pay the purchase price after full delivery of the ordered Products and receipt of the invoice within 30 days, with a 4% cash discount, or within 60 days net, unless otherwise agreed.
3. The Products delivered by the Supplier shall remain the property of the Supplier until paid by LESER (simple retention of title). Any other form of retention of title shall be excluded.
4. Supplier has to send invoices to LESER electronically by email to accountspayable@leser.com:
 - The invoice must be sent as attachment of an e-mail
 - The invoice must be in PDF format
 - Only one PDF document shall be attached per e-mail
 - The PDF document shall include only one invoice (incl. its attachments)
 - Deviations from these standards may cause delays or failures in paying the invoice.

VI. Quality and documentation

1. In its deliveries, the Supplier shall comply with the accepted technical rules, applicable safety regulations as well as the agreed specifications and conditions. Any modification of the Products must be approved of by LESER expressly in advance.
2. The Supplier shall monitor the quality of the Products supplied to LESER to a suitable extent and using appropriate testing means, equipment and methods. LESER reserves the right to prescribe, after prior consultation with the Supplier, the type, manner and scope of tests/inspections.

The inspection and test documents shall be stored for a period of ten years and made available to LESER upon request. The Supplier shall bind its sub-suppliers to the same provisions, to the extent permissible by law.

VII. Inspection for defects and liability for defects

1. LESER shall claim obvious defects within two weeks after delivery and hidden defects within two weeks after such hidden defects become evident. If LESER and the Supplier enter into a Quality Assurance Agreement, such Quality Assurance Agreement shall have priority.
2. The statutory provisions on material defects and defects of title shall apply, unless something else is provided for in the following.
3. The limitation period for warranty claims shall be 36 months from delivery of the Product, unless a longer limitation period is provided for by law.
4. In order to guarantee a continuous improvement process and in order to avoid recurring defects, the Supplier, in the case of defect claims, shall be obliged to identify the causes of such defects and to take appropriate measures which ensure that the agreements entered into by the

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Supplier and LESER are complied with. Upon request, LESER shall be provided with the relevant reports.

VIII. Product liability / liability insurance cover

1. In the event, that any claim(s) is (are) brought against LESER based on product liability issues, the Supplier shall be obliged to indemnify LESER against any such claim(s), provided and to the extent that the damage/loss was caused by a defect of the contract object supplied by the Supplier. In cases of fault-based liability, however, this shall apply only if the Supplier is at fault. Provided that the cause of the loss is included in the Supplier's scope of responsibility, the Supplier shall verify that the loss was caused through no fault of the Supplier.
2. The Supplier is obliged to maintain sufficient product liability insurance cover for personal and material losses, and shall verify sufficient coverage to LESER upon request.
3. Before any recall which is fully or partly the consequence of a defect of the contract object supplied by the Supplier, LESER will inform the Supplier accordingly, give the Supplier the opportunity of contribution, and consult with the Supplier on efficient performance, unless such information or involvement of the Supplier is not possible on grounds of urgency. If a recall is the consequence of a defect of the supply object supplied by the Supplier, the Supplier shall bear the costs of the recall.
4. Otherwise, the relevant statutory provisions shall apply.

IX. Right of withdrawal and termination

1. In addition to the withdrawal and termination rights granted by law, LESER shall be entitled to withdraw from or terminate the contract with immediate effect if:
 - 1.1 a significant deterioration of the financial situation of the Supplier has occurred or is to be expected, which might prevent the Supplier from fulfilling its supply obligations, or
 - 1.2 the Supplier stops its payments or is unable to pay its liabilities or is excessively in debt, or the Supplier applies for opening of insolvency proceedings or similar proceedings for debt settlement.
2. If LESER, based on the withdrawal and/or termination rights stipulated before, withdraws from or terminates the contract, the Supplier shall reimburse LESER for any losses incurred as a result of such withdrawal or termination, unless the Supplier is not responsible for the generation of such withdrawal or termination rights. This shall not affect any rights and claims permitted by law.

X. Intellectual property rights

1. LESER markets the goods it develops and manufactures worldwide. If claims are brought against LESER by third parties because the Product supplied by the supplier infringes an intellectual property right in any country in the world, and in particular Germany, France, the UK, Austria, India or the USA, the Supplier shall be obliged to indemnify LESER against all claims by third parties and reimburse LESER for all and any expenses incurred by LESER in connection with such claims by third parties and defence against such claims, provided that the Supplier is responsible for the infringement of intellectual property rights.
2. The parties to this agreement undertake to inform the other party immediately of any infringements and alleged cases of infringement and to provide the other party with the opportunity of defending themselves against such claims jointly.

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XI. Property and copyrights

1. The Supplier shall not acquire any rights (e.g. property rights or intellectual property rights, etc.) relating to the illustrations, documents, mould equipment, models, matrices, templates, tools, samples, measuring instruments, jigs, raw materials, parts, containers, packaging, other production means and equipment, including accessories, such as software, drawings and documentation and other objects made available by LESER. The Supplier shall use such objects only for handling LESER orders and store them carefully and free of charge. The Supplier shall not leave (or make available otherwise) such objects to unauthorised third parties. The Supplier is obliged to provide sufficient insurance cover of the objects against theft, fire and water loss and shall provide evidence of such insurance cover to LESER upon request. The Supplier shall return all objects, including all duplicates thereof, immediately and to delete any electronic data, as soon as they are no longer required for LESER orders. The Supplier shall not be entitled to retain such objects.
2. If the Supplier processes or remodels the objects mentioned above, this work shall be performed on behalf of LESER. LESER shall immediately become the owner of the objects produced in this way. If the objects only account for a part of the new objects, LESER shall have the right of co-ownership in the new object, reflecting the value of the LESER objects integrated in the new objects. LESER shall be entitled to acquire full ownership in the new object by payment of the processing price.

XII. Confidentiality

1. The Supplier shall observe confidentiality in respect of all and any commercial and technical information provided by the other contracting party verbally, in writing, electronically and/or in any other way, and treat such information as confidential and not disclose it to third parties. This obligation shall be irrevocable and shall not be limited in time.
2. The confidentiality and secrecy obligation shall not apply to information which is generally known to the public or becomes generally known later, or to information the party rightfully obtains from third parties.
3. The Supplier may disclose information as per Par. 1 only if and to the extent that this is required for executing the contracts agreed by the parties to this agreement, provided that the third party to which such information is disclosed is bound to secrecy accordingly in writing, or must keep secrecy by law, or if such disclosure is required due to a court's or government authority's decision.
4. The Supplier shall ensure compliance with the obligation to keep confidentiality and secrecy by taking appropriate measures, in particular by ensuring that the information provided by LESER is not accessible to unauthorized persons, or can be viewed, copied or forwarded by such persons.
5. The Supplier shall only be entitled to use the business relationship with LESER for advertisement purposes after obtaining LESER's express approval in advance.
6. Provided that the contracting parties have entered into a Secrecy/Confidentiality Agreement, or shall do so, such agreement shall have priority over the above provisions.

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XIII. Force majeure

Force Majeure (unexpected, unavoidable, extraordinary situations, such as interruption of operations through no fault of the parties, labour disputes, government action, etc.) shall release the affected party to this agreement from its performance obligations for the duration of the case of Force Majeure and the extent of its effect. The contracting parties are obliged to inform each other immediately and to adjust their obligations to the changed situation in good faith. If the Force Majeure situation continues for an extended period of time and one of the parties to this contract is not able to fulfil its contractual obligations in due time as a result, the other party to this agreement shall be entitled to rescind the agreement either partly or in full. This, however, shall have no effect on any other rights this party may have under the agreement.

XIV. Compliance

The Supplier undertakes to comply with the applicable statutory provisions on labour, environmental protection and safety at work and to make best efforts to reduce negative effects of its activities on humans and the environment.

The Supplier shall comply with the principles provided in the UN Global Compact Initiative:

- Companies must support and observe the protection of international human rights within their sphere of influence, and
- ensure that they do not become complicit in human rights violations
- Companies must maintain the freedom of association and the effective recognition of the right to collective bargaining, and also support
 - the removal of all forms of compulsory labour,
 - the abolition of child labour, and
 - the elimination of discrimination in respect of employment and occupation
- Companies must support a preventative approach with respect to the management of environmental problems
- implement initiatives designed to create greater awareness of the responsibility for the environment, and
- promote the development and distribution of environmentally-friendly technologies
- Companies must take a stand against all forms of corruption, including extortion and bribery.

In the event that the Supplier infringes applicable laws repeatedly and/or despite notification, and fails to demonstrate that the infringement was eliminated to the greatest possible extent, and reasonable measures were taken to prevent future infringement, LESER reserves the right to withdraw from existing contracts or terminate such contracts without notice.

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XV. Other provisions

1. The Supplier shall only be entitled to transfer its claims against LESER to third parties or have such claims recovered by third parties with LESER's prior approval.
2. The indicated delivery address shall be the place of fulfilment.
3. Any disputes resulting from or in connection with the contracts entered into by the contracting partners shall be settled exclusively by the competent court at LESER's place of jurisdiction, provided that this is permissible by law. However, LESER shall also be entitled to initiate legal proceedings at any other place of jurisdiction.
4. The laws of the Federal Republic of Germany, except for its international private law provisions, shall apply. Application of the UN convention on contracts for the international sale of goods (CISG) shall be excluded.
5. In case any provisions of these General Conditions of Purchase shall be or become invalid, either partly or in full, this shall not affect the validity of its other provisions or the other parts of such provisions.

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