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GENERAL CONDITIONS OF PURCHASE of OKALUX GmbH

Version: 18.12.2014

1. Generally

- 1.1 These General Conditions of Purchase are only intended for use in business dealings with companies as our suppliers.
- 1.2 Our conditions of purchase shall exclusively apply for all contracts with our suppliers; other terms and conditions shall not become a part of the contract, even if we do not expressly object to them. In an ongoing business relationship, our conditions of purchase shall apply even if we do not expressly refer to their application in subsequent orders. The supplier can only rely on contractual changes, amendments or additional agreements if they have been promptly confirmed in writing.
- 1.3 In the event of acts of God as well as strikes, lock-outs or other events that are not our responsibility, through which our own sales are significantly impeded, we can withdraw from the supply contract, in whole or in part, or demand performance at a later point in time.
- 1.4 Setoff or retention by the supplier is only permissible with counter-claims that are undisputed or have been determined by a court of law. We can save data necessary for contract implementation on computer systems. The assignment of claims against us arising from the contractual relationship is prohibited without our express approval.
- 1.5 The place of performance for deliveries and all obligations resulting from the contract is our factory in D-97828 Marktheidenfeld. At our option, the place of venue shall be D-97737 Gemünden a. Main / D-74821 Mosbach/Baden or the court having jurisdiction for the registered office of the supplier. German law shall apply exclusively with exclusion of the UN Convention on the International Sale of Goods.

2. Prices, invoicing

- 2.1 Suppliers' prices are maximum prices carriage paid to our factory. They shall include the costs of freight, customs, packaging, expenses and sales tax.
- 2.2 Supplier's invoices must be sent to us in duplicate, separately from the deliveries, and can be paid by us within 14 days after receipt of the invoice and complete receipt of the defect-free goods with a cash discount of 3% or within 30 days without deduction.

3. Shipping, delivery period/dates, delay, risk

- 3.1 Packaging, shipping and insurance of the contractual products shall be procured for the account and at the risk of the supplier. The supplier shall also be responsible for the return of used packaging in accordance with the German Packaging Directive (VerpackVO), at his own expense. A delivery note (in duplicate) must be enclosed with each shipment. The supplier must send us a written notification of dispatch on the day of dispatch.

OKALUX GmbH 97828 Marktheidenfeld Germany Tel.: +49 (0) 9391 900-0 Fax: +49 (0) 9391 900-100
www.okalux.com info@okalux.de



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- 3.2 The supplier must strictly comply with the stipulated delivery periods and dates, understood to be delivered to the stipulated place of delivery. The supplier must immediately give notice if it anticipates that it will not be able to meet agreed delivery periods or dates. It must make every effort to supply the contractual products as quickly as possible if it is at fault for a delay. In particular, the fastest possible method of shipping must be selected and the additional costs caused thereby must be borne by the supplier.
- 3.3 The supplier can only invoke a lack of raw materials, supplies and operating materials or defective delivery by his supplier if it is not responsible for these circumstances and notifies us immediately of their possible threat.
- 3.4 Risk does not transfer to us until the goods have been unloaded in our factory.

4. Quality, acceptance, limitation of claims for defects

- 4.1 In addition to the specifications set forth in the supply contract, quotation and/or order confirmation, the relevant statements of the supplier in his brochures, catalogs and other documents available to us, as well as in his advertising, are deemed to apply for the quality of the contractual products/services. The agreed-upon quality also implies that the contractual products/services comply with the latest state of technology, top-quality workmanship, the agreements reached, the intended purpose, the agreed and inspected equipment, the required product safety and the currently applicable statutory, official and technical provisions.
- 4.2 The supplier shall conduct a careful inspection of quality and outgoing goods – also covering product safety – in accordance with the applicable standards. The supplier has the obligation to delivery contractual products/services that have been tested for quality.
- 4.3 Acceptance, approval and/or payment of the contractual products/services does not indicate recognition that they are free of defects. These are always made subject to reservation. With respect to clause 4.2, our incoming goods inspection covers the examination of outwardly visible damages and observable discrepancies in quality and quantity. We will report such defects immediately. In addition, we will report defects as soon as they are discovered in the orderly course of business. The supplier waives the objection of delayed notification of defects to the extent they are not raised later than one week after discovery of the defect.
- 4.4 If in urgent cases the supplier does not immediately rectify defects in the contractual products or any resulting damages, despite notification, or if the supplier is in default in the performance of the rectification of defects incumbent on the supplier, we may rectify the defects/damage ourselves at the expense of the supplier, or have them rectified by third parties.
- 4.5 Unless statutory periods of limitation should be longer, our claims for defects become time-barred in 3 years. For an item used for a structure in accordance with its usual manner of use and which has caused its defectiveness, our claims for defects become time-barred in 6 years. The limitation of actions begins with the delivery of the item.

5. Product safety, product liability

- 5.1 The supplier hereby guarantees that the contractual products and/or services are not unsafe and are not dangerous for their use or consumption in accordance with the intended use or foreseeable non-intended use, for the purpose of product liability. It shall take all necessary and reasonable organizational, personal and technical safety measures.
- 5.2 In the event that a claim is asserted by our customers or third parties for damage based on unsafe contractual products and/or services, the supplier shall indemnify us internally if and to

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the extent that it is at fault. Our claim to indemnification is subject to the standard period of limitation.

- 5.3 If and to the extent that the supplier is responsible for the defect leading to the liability, it shall also bear the costs for the measures taken by us to prevent damage (e.g. recalls).
- 5.4 The supplier must insure itself to a reasonable amount against the risks related to product liability for the contractual products and/or services it supplies and provide us with evidence of this insurance coverage.

6. Subsequent Deliveries / Disposal

- 6.1 The supplier agrees that in all cases of broken glass, including cases in which the supplier is not at fault and cannot be held responsible, as well as in cases in which a subsequent order is necessary or desired for other reasons, the supplier shall execute the said subsequent order on the terms regarding quality, prices and delivery times as were agreed for the original order. This commitment of the supplier in respect to subsequent and replacement orders ends 12 months after complete processing of the original order.
- 6.2 In the production and delivery of the contractual products, the supplier agrees to take account of and comply with all current conditions and provisions relating to environmental protection and waste disposal.

7. Intellectual property rights, confidentiality, moulds and tools

- 7.1 If and to the extent that the supplier is at fault, it shall be liable to us for ensuring that the use or distribution of the contractual products is permissible without infringing upon the intellectual property rights of others. It shall indemnify us against any legal claims by third parties for the infringement of such intellectual property rights in connection with the contractual products.
- 7.2 We reserve the ownership as well as all intellectual property rights and copyrights of designs, moulds, tools, samples, illustrations and other documents provided by us. The supplier may only use these designs etc. in the manner intended by us, and must return them if it no longer needs them for us.
- 7.3 The supplier must maintain confidentiality vis-à-vis third parties with respect to all trade secrets, in particular know-how, of which it gains knowledge through its business relationship with us.
- 7.4 Tools, moulds and other devices which the supplier produces or procures, in whole or in part at our expense, automatically become our property upon production or procurement. The supplier shall keep them for us free of charge and with all due care for the duration of the supplier relationship.

8. Minimum wage

The supplier warrants and shall bear full liability towards us for ensuring that it meets the requirements of minimum wage legislation – to the extent that such legislation exists – and accordingly pays its employees the statutory minimum wage or more. The supplier shall also warrant and ensure the same when for its part commissioning the services of a sub-contractor or a chain of sub-contractors.