

# General Purchasing Conditions

Last updated 8/29/2023



## 1. General information

LiCON mt places orders exclusively on the basis of the current version of these General Purchasing Conditions. No other conditions shall be considered a part of the contract upon conclusion, even if LiCON mt does not expressly object to them. If LiCON mt accepts a delivery or service without lodging an express objection, this cannot be taken to mean that we accept the supplier's General terms and conditions. Any deviating conditions of the supplier shall apply only if they have been expressly confirmed in writing by LiCON mt.

## 2. Written form

The supplier is obligated to confirm orders, agreements or changes to LiCON mt in writing or via email.

## 3. Offer / order / change in services

**3.1** The supplier's offer is bound to the specifications and the wording of LiCON mt's inquiry. In case of deviations, the supplier must always refer expressly to these. The offer is granted by the supplier free of charge.

**3.2** The supplier must confirm the order within 5 business days after receipt by transmitting an order confirmation. The order confirmation must contain all significant information for the contract, including the respective binding prices, pricing discounts and delivery terms. The order confirmation must be sent via email to [Auftragsbestaetigung@LiCON.com](mailto:Auftragsbestaetigung@LiCON.com).

**3.3** LiCON mt reserves the right to make changes to the services owed under the contract and their design or to individual properties of the goods to be delivered, as long as these are reasonable for the supplier. The contractual partners shall come to an agreement in this context regarding any resulting consequences for carrying out the contract (such as an additional or reduced costs, effects on agreed deadlines).

**3.4** If the supplier becomes aware while carrying out the agreement of circumstances that require a change in the contractual object or individual service modalities, the supplier must inform LiCON mt of this promptly and in writing.

## 4. Content of service / conformity with legal regulations

**4.1** The content of service is stated in the respective individual order. Documents, reports, ideas, drafts, models, samples and all other results collected in the course of performing services are part of the contract services.

**4.2** The supplier shall create drawings, drafts, data and other documentation associated with its services in accordance with LiCON mt's requirements, specifications and guidelines. In case of ambiguities, the supplier is obligated to obtain all necessary information from LiCON mt in advance before beginning to perform its services. This applies in particular for the IT systems and programs to be used.

**4.3** The supplier shall ensure that all goods and services are always manufactured and performed in consideration of relevant German and European regulations on occupational protection, environmental protection, goods transport, hazardous substances labeling and in consideration of valid import and export conditions, current safety regulations of the authorities, trade unions and professional associations – in particular in compliance with DIN or ISO certification provisions and standard engineering and scientific practice.

## 5. Performance period / deadlines / contractual penalty

**5.1** Agreed deadlines and terms are binding. Receipt of the overall service in accordance with the contract by LiCON mt is used to determine compliance with the delivery deadline. If free delivery to the recipient or to the usage site, or some other delivery is not agreed, then the delivery shall provide the delivery on time at the LiCON mt headquarters.

**5.2** Once the supplier becomes aware that agreed terms or deadlines cannot be complied with, they are obligated to inform LiCON mt of this promptly.

**5.3** In case of a delayed delivery, LiCON mt shall be entitled to statutory claims. Regardless of this, LiCON mt is entitled to demand a contractual penalty of 0.3% from the supplier from the time they fall into default, and at most 5% of the total order value. LiCON mt expressly

reserves the right to assert any further damages.

## 6. Force majeure

**6.1** Force majeure, labor disputes, unrest, official measures and other unforeseeable, unavoidable, and serious incidents shall suspend the mutual performance obligations of the contractual partners for the length of the disruption. The contractual partners are obligated to provide the necessary information and adjust their obligations to the changed circumstances in good faith promptly and within the framework of what is reasonable.

**6.2** If the performance obligations are suspended for more than two weeks due to force majeure, LiCON mt is entitled to terminate the contractual relationship with immediate effect. In this case, the supplier can request reimbursement of verified expenses they have incurred, trusting in the ongoing existence of the contractual relationship up until the time the contractual obligations were suspended.

## 7. Transfer of risk / documents / transportation / partial services

**7.1** The risk shall be transferred to LiCON mt upon delivery of goods to LiCON mt or to the recipient named by LiCON mt.

**7.2** Two copies of a delivery slip must be enclosed with every delivery. It must, in particular, contain the delivery address, order number, order date, delivery site, name of the recipient if applicable and LiCON mt material number. Signing the delivery slip does not mean that LiCON mt confirms the goods conform to the contract.

**7.3** The supplier shall always choose the least expensive transportation option for LiCON mt, unless the parties have agreed on a specific type of transportation, unless otherwise required by law.

**7.4** The supplier is only entitled to complete partial services with written consent from LiCON mt to do so.

## 8. Prices and payment

**8.1** The price indicated in the order confirmation is binding.

**8.2** Statutory VAT must be listed separately.

**8.3** Price increases after the contract has been concluded are irrelevant.

**8.4** The supplier shall submit an invoice separately from the shipment for each delivery or service. Invoices must be sent at the same time goods are sent, including the order number, via email to [rechnungseingang@LiCON.com](mailto:rechnungseingang@LiCON.com). The wording on the invoice must match the order designations. The exact designation of the ordering department and date of the order must be listed. Invoices that do not contain this information will be sent back and shall not result in any due claims. The term for paying the invoice begins on the business day a proper, auditable invoice is received or the agreed delivery deadline for the good or service, whichever is later.

**8.5** If a delivery is defective, LiCON mt is entitled to withhold payment until the delivery is properly fulfilled without losing any rebates, discounts or similar payment reductions.

**8.6** If not otherwise agreed, invoices shall be paid within fourteen calendar days from receipt of the invoice and performance of the return service. Payment shall be made conditional on an audit of the invoice.

## 9. Guarantees

**9.1** The supplier shall guarantee that the delivered object is free from material defects and conforms to contractually agreed properties.

**9.2** LiCON mt is entitled to inspect the goods in the normal course of business based on a recognized random sampling process. The supplier shall not object due to delayed complaints of defects if defects discovered during this process are reported to them promptly, or if defects are hidden, promptly after their discovery in writing, within a term of 14 days in each case. The defect notification shall be considered promptly submitted if it is made within 14 days of receipt of the goods by LiCON mt.

**9.3** If defects occur to the delivered object within the guarantee term, the supplier must be notified of these in writing and granted a reasonable grace period at. The supplier must correct the defect or complete a replacement delivery, at our discretion. In cases where it is not possible, due to the particular urgency of the case, to inform the supplier of the defect and impending damages and give them even a short term to correct the matter themselves, LiCON mt has the right

to correct the defect itself or have it corrected by third parties and to request reimbursement of any necessary costs.

**9.4** If the supplier has not corrected the defect in the delivered object after two attempts at supplementary performance, then LiCON mt must notify them of this in writing, after which it is entitled to withdraw from the agreement or reduce the purchase price, at its discretion. Furthermore, LiCON mt is entitled to demand claims for damages or reimbursement of wasted expenses. In case of a claim for damages, the supplier is obligated to reimburse damages resulting both directly and indirectly from a defect. This also includes reimbursing subsequent damages caused by defects and lost profits. LiCON mt shall be entitled to the above rights even after an unsuccessful attempt at supplementary performance if LiCON mt urgently needs to use the delivered object, or if the supplier proves to be unreliable.

**9.5** Unless otherwise agreed, the expiration term for defect claims shall be 36 months from the transfer of risk.

**9.6** If claims are made against LiCON mt due to defects in the goods purchased from the supplier, LiCON mt is entitled to take recourse against the supplier; the above paragraphs shall apply accordingly. The supplier is obligated to reimburse LiCON mt for expenses incurred due to the defect, in particular transportation, travel, work and material costs.

## **10. Product liability**

**10.1** If claims are made against LiCON mt by a customer or third party in relation to product liability, the supplier is obligated to release LiCON mt from these claims if and insofar as the damages were caused by an error in products delivered by the supplier. In such cases, the supplier shall bear all costs and expenses, including costs of legal defense. Otherwise, the statutory provisions apply.

**10.2** The supplier shall provide proof of product liability insurance to LiCON mt at the start of the contract and upon request to do so anytime with a sum insured of at least € 2,500,000.00 per liability claim, and shall maintain insurance coverage even after complete fulfillment of mutual contractual obligations for ten years after the delivered objects are placed on the market by LiCON mt.

**10.3** If not otherwise agreed, the supplier is obligated to label their delivered objects so that they are permanently identifiable as its products.

## **11. Retention of ownership, provided materials, tools**

**11.1** LiCON mt reserves ownership of all provided parts. Any processing or conversion carried out by the supplier is carried out on behalf of LiCON mt. If the reserved goods are processed with other objects that do not belong to LiCON mt, then LiCON mt shall obtain co-ownership to the new goods in relation to the value of the reserved goods to the other processed objects at the time of processing.

**11.2** If a part provided by LiCON mt is culpably damaged or destroyed within the supplier's sphere of responsibility, the supplier's liability shall extend to the repair or replacement of the provided part.

**11.3** LiCON mt reserves ownership to tools paid for or provided by LiCON mt. The supplier is obligated to use the tools only to manufacture goods ordered by LiCON mt.

## **12. Confidentiality**

**12.1** The contractual partners hereby undertake to treat all information related to the conclusion and execution of the contract as strictly confidential, if it is not already publicly known, legally obtained from third parties, or developed independently. All information disclosed to the supplier may be used only for the purposes of the agreement. Protected information in the sense indicated above includes, in particular, technical data, purchasing quantities, prices and price calculations, product descriptions and product characteristics, material compositions, information regarding research and development results, customer and supplier data, and general business-related data of the contractual partners.

**12.2** The supplier is furthermore obligated to treat all samples, images, drawings, calculations and other documents received as strictly confidential and to disclose them to third parties only with the prior written approval of LiCON mt, if the information they contain is not publicly known. The above provisions shall not apply if the contractual partners are obligated by official order to disclose confidential information. The contractual partners hereby undertake to promptly inform one another if there is an official order to disclose confidential information, in order to give them the opportunity to secure interim legal protection.

**12.3** The supplier shall ensure that sub-suppliers comply with the obligations set forth in this regulation.

**12.4** Products manufactured according to drafts, documents, models or information designated as confidential that were provided by LiCON mt may only be used by the supplier for the contractually specified

purposes; in particular, they may not be offered or delivered to third parties without the express written approval of LiCON mt. LiCON mt reserves all rights to such provided items.

**12.5** Upon request by LiCON mt at any time, and at the latest at the end of the contract, all information which originated from LiCON mt (including copies or records made) and objects lent by LiCON mt must be returned to LiCON mt promptly and in full, if the supplier no longer needs them to fulfill their other contractual service obligations. At its discretion, LiCON mt is entitled to demand that the supplier destroy all information, samples, materials and models provided by LiCON mt completely and properly. The supplier is obligated to provide written verification to LiCON mt that the information has been destroyed in the aforementioned sense by providing documents to this effect.

## **13. Final provisions**

**13.1** The supplier may not assign the order or significant parts of the order to third parties without the prior written approval of LiCON mt.

**13.2** The supplier is not entitled to assign its claims against LiCON mt to third parties without prior approval.

**13.3** If the supplier stops its payments, appoints a provisional insolvency administrator, or once insolvency proceedings are opened, LiCON mt is entitled to withdraw from the agreement in whole or in part.

**13.4** Only German law applies to the contractual relationships, excluding conflict-of-law rules and the United Nations Convention on the International Sale of Goods (CISG). If individual parts of these purchasing conditions are legally invalid, this shall not affect the validity of the remaining provisions.

**13.5** The place of fulfillment and exclusive place of jurisdiction shall be Laupheim.

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