

# General Purchase and Supply Conditions of Grohe AG

The following General Purchase Conditions shall apply to all supplies and services provided to us. They shall apply to our future transactions with the supplier even if they have not been expressly agreed again. If not stated otherwise in these General Purchase Conditions the statutory provisions shall apply to all agreements.

The confirmation of our orders or the supply of goods and provision of services by the supplier shall suffice for the application of these General Purchase Conditions. General sales conditions of the supplier which are in conflict with or derogate from our General Purchase Conditions shall not apply even if we do not expressly contradict them.

## I. Order and conclusion of agreement

1. Orders are only binding on us if they are issued or confirmed by our purchasing department.
2. Every order must be confirmed by the supplier stating the price and the binding delivery period within one week of receipt. After fruitless expiry of this period we are no longer bound by the order.
3. Passing on our orders to third parties is only permitted with our written consent.

## II. Prices and terms of payment

1. The prices in our orders are binding. All prices are in EUR plus VAT carriage to the place of delivery paid (see III. 1.) unless otherwise stated in the individual orders. Packaging costs are included. We are entitled to make payment by any means of payment at our discretion.
2. Our payment shall be made after receipt and acceptance of the respective goods/services with 3% discount where payment is made within 60 days, with 2% discount where payment is made within 90 days and net where payment is made within 120 days upon receipt of the invoice.
3. Our order and article numbers shall be quoted in full on order confirmations, notifications of dispatch, invoices and other letters. Invoices which do not quote our order and article numbers can be returned to the supplier without payment.
4. The supplier shall have rights to set-off or retention rights only in the case of undisputed claims, those which are final and absolute or those which we have expressly recognised in writing.
5. Claims against us arising from a purchase agreement to which the supplier is entitled may not be assigned without our prior written consent. The assignment exclusion does not apply if the supplier acquired the goods from its supplier which has an extended right of retention.

## III. Delivery, delivery period and delay

1. Deliveries are made at the risk of the supplier to the place of delivery set out in the order or, where no place of delivery is mentioned, to the ordering branch.
2. The delivery note must be attached to the items to be delivered. A copy of the delivery note must always be sent to us in the case of supplies which are sent to third parties on our behalf. Once the goods have been dispatched the supplier shall send us the notification of dispatch without undue delay. Notifications of dispatch and delivery notes must contain details of amounts and/or weight and article number, design status and source data.
3. The supplier is not entitled to make part deliveries. We are at liberty to reject part deliveries.
4. All agreed delivery dates and periods are binding. Determinative for observation of the delivery periods shall be the time when the goods reach their place of delivery (see III. 1.). The supplier must inform us without undue delay of a foreseeable delay in delivery.
5. If the supplier is delayed in delivery after fruitless granting of a reasonable subsequent curing period we are entitled to assert against the supplier fixed damage for delay of 2% of the purchase price of the goods which are delayed per week of delay commenced, up to a maximum, however, of 10% of the purchase price of the goods which are delayed. The supplier is entitled to prove that no or insignificant damage resulted from the delay. We reserve the right to assert further-reaching rights, i.e. the right to rescind the agreement and/or the right to assert claims for compensation, in particular obtaining the goods from elsewhere at the cost of the supplier.
6. All occurrences of *force majeure* which lead to a constraint of our business entitle us to suspend fulfilment of acceptance obligations until the occurrence which is the result of *force majeure* is over. In the event that our business is closed for good or in the event that it is no longer reasonable to expect us to fulfil these obligations once the occurrence which is the result of *force majeure* is over, to rescind the agreement. In such cases we are not liable to pay compensation.

## IV. Retention of title and confidentiality

1. Where we provide the supplier with material this shall remain our property and must be stored separately until it is used. This material may only be used for our orders. If this material is damaged or destroyed the supplier must pay compensation to us.
2. All processing of the material supplied by us is for us. We shall become the owners of the goods which result from processing.

3. In the event of combining or mixing the material supplied by us with the material of the supplier the supplier hereby transfers its co-ownership in the goods which result from combining or mixing to us. We accept such transfer. The supplier shall store these goods for us with the care of a prudent businessman.
4. Drawings, drafts, samples, manufacturer guidelines and other documents which we hand over to the supplier so that it can make an offer or to carry out an order remain our property. We reserve all utilisation rights in these documents. These documents may not be used for other purposes, duplicated or made accessible to third parties without our express written consent. The supplier must return them to us at its own cost without undue delay after carrying out the order or if the order is not carried out.

## V. Our rights in the case of defective delivery

1. We shall inspect the goods within a reasonable period for deviations in quality and quantity. We shall be deemed to have reported obvious defects in due time if notification is sent by us within 14 days of delivery of the goods; latent defects shall be deemed to have been reported in due time if notification is sent by us within 14 days of discovery.
2. The supplier guarantees that the goods delivered are free from defects, correspond to the purpose of the agreement, observe all safety regulations and all safety standards usual in the trade and our specifications as regards size, quality and form.
3. We are entitled to assert the statutory claims for defects against the supplier. We are entitled to demand subsequent performance. After fruitless expiry of the deadline for subsequent performance, in the case of final refusal to make subsequent performance, where subsequent performance is not successful or where we cannot be reasonably expected to accept subsequent performance we are entitled to rescind the agreement and/or to assert claims for compensation or to reduce the purchase price. §§ 281 (2), 323 (2), 478 (1) of the German Civil Code remain unaffected hereby. If we must pay compensation or provide subsequent performance owing to a defect in the goods of the supplier which already existed when risk passed from the supplier to us we can demand reimbursement of all compensation paid by us.
4. If the outturn samples or reasonable random samples taken from one delivery deviate completely or considerably from the contractual or statutory provisions, we are entitled to rescind the whole agreement. Further statutory claims to reduction or compensation shall remain unaffected hereby.
5. The limitation period for claims owing to defects shall be three years. It shall commence on delivery of the goods. In the case of V. 3. sentence 4 our claims against the supplier become statute barred at the earliest four months after the time when the claims of our customer have been fulfilled, at the latest six years after delivery of the goods.

## VI. Indemnification

1. If a product manufactured by us causes damages to a third party and if this third party claims compensation from us the supplier shall indemnify us on first request from all claims of this third party including the necessary costs to defend ourselves against these claims if one of the goods supplied by the supplier caused the damage.
2. If we have to carry out a recall action as a result of damage to one of the products manufactured by us the supplier is obliged to reimburse us all costs incurred in connection with this recall action if one of the goods supplied by the supplier caused the damage.
3. If a claim is asserted against us by a third party because one of the products manufactured by us infringes a statutory intellectual property right the supplier undertakes to indemnify us on first request from such claim including all necessary costs which are incurred in connection with the claim asserted by the third party if one of the goods supplied by the supplier caused the infringement of the intellectual property right.

## VII. Final provisions

1. Place of performance is our domicile. We are entitled to sue the supplier at its domicile.
2. German law expressly excluding the United Nations Convention on Contracts for the International Sale of Goods shall apply.
3. Amendments and additions to the contract including these General Purchase Conditions shall be in writing. This also applies to any additions and amendments to this provision.
4. If individual provisions of these General Purchase Conditions should be or become invalid this shall not affect the validity of the other provisions. In such an event the contractual parties are obliged to jointly establish legally effective substitute provisions which reflect as closely as possible the intent of the ineffective provision.