   These GeneralTerms and Conditions of Purchase shall govern and apply to all orders placed by companies of the SICK group within the Federal Republic of Germany, Austria and Hungary (hereinafter referred to as “Purchaser”). Any deviating or additional General Terms and Conditions of Supplier shall only apply if Supplier has expressly approved them in writing. These General Terms and Conditions of Purchase shall also apply to all future business transactions with Supplier.

2. Orders
   All orders shall be placed in writing (including email) in order to be binding. The same shall apply to any future modifications and amendments.

3. Date of Delivery and Delay
   Dates specified in the order for the delivery of the ordered goods (“Goods”) or for the performance of the ordered services (“Services”) are binding (“Delivery Dates”). Supplier is obliged to notify Purchaser in writing immediately in case circumstances occur, or become evident, which give reasonable grounds to expect that the Delivery Date may not be observed. If delivery of the Goods or acceptance of Services are delayed, Purchaser is entitled to claim a contractual penalty in the amount of 0.2 % of the order value for each business day of delay, up to a maximum, however, of 5 % of the order value. The Purchaser will claim or reserve the right to claim the contractual penalty within ten business days of receipt of the delayed Goods or acceptance of the Services. The right to assert further claims for damages as well as the right to withdraw from the contract shall remain unaffected. The Purchaser shall be entitled to claim the contractual penalty and the fulfillment of the contract in parallel; in such case, the contractual penalties paid by Supplier shall be deducted from claims for damages.

4. Prices, Invoicing and Payment
   Prices quoted in the order are binding. All quoted prices shall include delivery according to Incoterms 2010 agreed upon in section 6 hereof. All invoices must comply with the applicable tax regulations and state Purchaser’s order number and order item. The invoice must be addressed to the ordering entity. Supplier shall be liable for all consequences arising in connection with the failure to comply with this obligation.

5. Packaging
   Supplier is obliged to use environmentally friendly packaging in conformity with valid packaging regulations. Purchaser reserves the right to return packaging at Supplier’s cost.

6. Delivery
   Unless otherwise agreed in writing, deliveries within the EU shall take place according to DAP (Incoterms 2010) place of destination as specified in the order; all other deliveries shall take place FCA (Incoterms 2010) point of departure as specified in the order. Each delivery shall be accompanied by a delivery note listing all order details and in particular the correct order reference number. If Supplier fails to do so, Purchaser shall not be held liable for any delays in order processing. The specified place of destination/point of departure shall be adhered to under any circumstances.

7. Execution, Documentation
   Orders shall be carried out according to the instructions, drawings, standards, delivery and test specifications, drawings, etc. of Purchaser. Goods and Services shall conform to the rules of technology as well as any statutory provisions regarding DIN/VDE regulations and any other technical standards, in particular in view of those related to safety and environmental protection. Supplier guarantees CE conformity. In respect of copies, diagrams, drawings, calculations and any other material and data provided by Purchaser, Purchaser reserves its proprietary rights and copyrights; such documents may not be made available to any third party without express written approval. They may exclusively be used for processing the order. Upon completion of order processing, Supplier shall return them to Purchaser at its own initiative. They shall be kept confidential and may not be disclosed to any third parties. The duty to observe secrecy shall remain in effect after execution of the contract; it shall expire if and to the extent that the production know-how contained in the copies, diagrams, drawings, calculations and other documents provided has become common knowledge.

8. Models and Tools
   Models and tools produced by Supplier at Purchaser’s cost shall become the sole and exclusive property of Purchaser upon payment and shall be permanently marked as property of Purchaser by Supplier. Supplier undertakes to use all models and tools solely and exclusively for the purpose of manufacturing the Goods. Supplier further undertakes to insure Purchaser’s models and tools against damages caused by fire, water, and theft at its own cost and at reinstatement value.

9. Preference, Supplier’s Declaration, Export Control
   Supplier shall, upon request, provide to Purchaser certificates of origin, supplier’s declarations, commodity codes and/or preference certificates as well as any other documents/data according to the pertaining export requirements.

10. Amendments and Modifications
    Until delivery of the Goods or acceptance of the Services, the Purchaser may at any time and at its reasonable discretion require the Supplier to make reasonable amendments and modification to the order. The Supplier shall propose to the Purchaser any amendments and modification to the Goods and Services which Supplier deems necessary and expedient with regard to successful performance of the contract. After written approval by the Purchaser, Supplier shall carry out such changes. If an amendment or modification results in an increase or reduction of costs and/or in the event a deadline can no longer be met, the Supplier is obliged to notify the Customer hereof at the same time as his proposed change or immediately after receipt of the Purchaser’s request for amendment/modification and to submit a corresponding supplementary offer. The remuneration shall be adjusted taking into account the change in costs.

11. Compliance with Restriction of Hazardous Substances
    Supplier undertakes to adhere to all delivery requirements and observe all prohibitions of substances in conformity with the statutory provisions which are in force at the location of the Purchaser and in the European Union (in particular: Regulation (EC) No. 1005/2009 on the restriction of the use of certain hazardous substances in electrical and electronic equipment). The Supplier is obliged to inform the Purchaser about existing substances which are available to Supplier without any significant additional effort.

12. Return of Waste Equipment
    Purchaser is fully and unrestrictedly entitled to all statutory claims regarding the return of waste equipment according to the German Electrical and Electronic Equipment Act (ElektroG), in particular the right to return waste equipment pursuant to § 10 para. 2 of the ElektroG.

13. Code of Conduct, Supplier Code, Sustainability

14. Compliance with Export Control Regulations
    The Supplier undertakes to inform the Purchaser about existing export license requirements or restrictions regarding (re)exports of the Goods under national, European and/or US export regulations. In addition, the Supplier undertakes to comply with all export control regulations (of the EU, Germany and the USA) and sanctions and embargoes of the UN, the EU, Germany and the USA. The Supplier undertakes to provide all the documents that the Purchaser needs to obtain an export license if applicable. The Supplier shall provide, without further request, to the Purchaser the valid goods classification number pursuant to the German foreign trade law and the EC Dual-Use Regulation and, for Goods subject to US export control law, the Export Control Classification Number (ECCN) and the share of components originating in the US in EUR no later than upon issuance of the invoice.
For Goods that require an export license, the Supplier shall send the following information to exportcontrol@sick.de no later than 15 business days prior to the first delivery:
- SICK materials number,
- goods description,
- all applicable export control classifications including the Export Control Classification Number pursuant to the US (re)export control law (ECCN),
- country of origin of goods,
- statistical goods numbers (HS Code), and
- the relevant contact persons at Supplier.

The Supplier is obliged to inform the Purchaser without delay about all changes to the export license requirements for the Contract Products due to technical, statutory or official acts.

15. Warranty
Purchaser is obliged to examine the goods as to any possible deviations in quality and quantity and to notify Supplier of the deviations within a reasonable period, § 377 of the German Commercial Code (HGB) is waived in this respect. Purchaser is fully and unrestrictively entitled to statutory claims for warranty and damages in case of material defects and defects of title.

Purchaser shall be entitled to choose the type of remedy – removal of defects or delivery of a new product. Supplier is entitled to refuse the chosen type of remedy in compliance with the provisions stipulated under § 439 para. 3 of the German Civil Code (BGB).

In cases where Supplier may not remedy a defect in due time in order to counter acute risks or prevent major damage as well as in cases where Supplier culpably fails to begin to remedy a defect within a reasonable period of time despite being asked to do so and an additional period of time being granted to Supplier, Purchaser will be entitled to remedy the defect itself or have it remedied by a third party at Supplier’s expense. The same shall apply in cases where, given the particular urgency, it is no longer possible to notify Supplier of the defect and the imminent damage in advance.

The limitation period for material defects and defects of title shall be thirty-six (36) months from the date of transfer of risk. Longer limitation periods provided by applicable law shall remain unaffected.

In case Purchaser incurs any costs as a result of the defective delivery of the Goods, in particular transportation, transport infrastructure, work and material costs or costs for an incoming inspection exceeding the usual extent, Supplier shall bear such costs.

16. Liability, Insurance
In addition to warranty, Supplier shall be liable for all damages caused by defects in the object of the contract to the extent Supplier is responsible for such defects. If damage is caused to a third party, Supplier shall indemnify Purchaser from any claims of such third party.

Furthermore, Supplier shall warrant that the delivery or use of the goods does not infringe any patent rights, copyrights, trademark rights or utility model rights of third parties, provided that Supplier is liable for such infringements. In case third parties assert claims against Purchaser, Supplier shall indemnify Purchaser from such claims.

Supplier undertakes to maintain a product liability insurance with a lump sum coverage of EUR 5 million for each personal injury/property damage; any further claims for damages of Purchaser shall remain unaffected thereby.

17. Force Majeure
Force majeure events, in particular natural disasters or other disruptions (e.g. major health threats, for example, due to epidemics or nuclear radiation), war, terrorist attacks, riots and similar occurring threats as well as industrial disputes or official interventions (e.g. import and export restrictions) or operational breakdowns through no fault of Purchaser entitle the Purchaser, without prejudice to the Purchaser’s other rights, to extend the deadline for the contractual performance by the duration of the force majeure event. If the force majeure event continues for more than three months, the Purchaser may withdraw from the contract, in whole or in part.

18. Open Source Software
"Open Source Software" means any software that is made available to an indefinite number of users, royalty-free, with the right to adaptation and/or distribution based on specific licenses or contractual provisions (e.g. Apache License, GNU General Public License (GPL), Mozilla Public License, MIT License).

The supplier guarantees that no Open Source Software is included in the Supplies and services, unless the Purchaser has expressly agreed to this in writing in advance.

In order to grant any consent by the Supplier within the scope of the specifications, the Supplier shall provide the Purchaser with all information relevant to the use of the Open Source Software (e.g. source code, license text, version number, possible copyleft conditions, information on modifications made, listing of Open Source files used).

19. Set-off, Retention
The Supplier may only offset such counterclaims and assert a right of retention on the basis of such claims which are undisputed or have been found binding and confirmed by a final court decision, or which are reciprocal with claims of the Purchaser.

20. Termination
Purchaser has the right to withdraw from the contract in whole or in part or to terminate the contract without notice for good cause. In particular but without limitation it shall considered good cause if the financial condition of Supplier deteriorates significantly and the fulfillment of the contract is endangered, in the event of insolvency, over-indebtedness, liquidation or because the Supplier ceases its business activities. To the extent that the Supplier is responsible for the termination, the purchaser reserves the right to claim damages.

21. Assignment of Rights
The contract for delivery or individual rights and/or duties resulting therefrom may not be transferred, in whole or in part, to any third party without express written approval of Purchaser.

22. Minimum Wage / Release from Liability
Supplier warrants that all its employees are paid in accordance with the requirements of the German Minimum Wage Law (MiLoG).

Where Supplier uses sub-suppliers to perform work or provide services under a contract for work and services, Supplier shall ensure that the sub-suppliers’ employees are also paid in accordance with the requirements of the MiLoG and other legal regulations and collective agreements the breach of which would make Purchaser liable under § 13 MiLoG or § 14 of the German Law on the Posting of Workers, respectively. Supplier therefore indemnifies Purchaser from any claims under § 13 MiLoG and § 14 of the German Law on the Posting of Workers that might arise from an infringement of the MiLoG or the legal regulations and collective agreements referring thereto by a) Supplier and/or b) a sub-supplier contracted by Supplier.

The Supplier also undertakes to inform the Purchaser on request at any time whether Supplier complies with the obligations of the MiLoG and to provide the Purchaser with all documents that are necessary or useful to allow Supplier to verify the same.

23. Severability, Place of Performance, Applicable Law
If any of the provisions stipulated herein or in any further agreements based thereon is or becomes invalid, the validity of the remaining provisions shall remain unaffected thereby. The contracting parties are obliged to replace the invalid provision by a provision which comes as close as possible to the intended economic purpose of the invalid provision.

Place of performance shall be the location defined as the place of destination/point of departure in the order. In case such location is not defined in the order, the place of business of Purchaser shall be the place of performance.

Place of jurisdiction for all disputes arising directly or indirectly in connection with this contractual relationship shall be the place of business of Purchaser. Supplier is further entitled to sue Supplier either at the court of its registered office or branch or at the court of the place of performance at Purchaser’s option.

All contractual relations shall be governed exclusively by the laws of the Federal Republic of Germany. The same shall apply in cases where the contracting party’s registered office is abroad. The application of the UN Convention on the International Sale of Goods of April 11, 1980 (CISG) shall be excluded.