

# General Terms and Conditions of Purchase of GLS Logistik GmbH & Co. Dental Handel KG

## 1. Area of Application

These General Terms and Conditions of Purchase (hereinafter referred to as GTC) apply to the entire business relationship between GLS Logistik GmbH & Co. Dental Handel KG (hereinafter referred to as GLS) and the suppliers within the country and abroad, provided that the supplier is an entrepreneur, a legal entity under public law or a special fund under public law as defined in section 310 para. 1 of the German Civil Code (BGB).

The GTC of GLS are applicable on an exclusive basis. Counter-confirmations or general terms and conditions of business of the supplier are hereby expressly objected to. This also applies if in submitting or accepting an offer the supplier points out to the preferential applicability of own general terms and conditions of business.

## 2. Fundamentals of the Contract

The rights and duties of GLS and of the supplier are subject to the following provisions in the order of priority shown below:

- a) agreements made on an individual basis;
- b) these General Terms and Conditions of Purchase;
- c) legal regulations.

In case of discrepancies, the first mentioned provisions always prevail over the latter ones, unless mandatorily required otherwise by law. Omissions are filled by the lower ranking provision as applicable from time to time.

## 3. Purchase Order

A purchase order is valid only if awarded by GLS in text form. Purchase orders placed orally or on the telephone are valid only when confirmed by way of subsequently sending a purchase order in text form. The supplier shall confirm the acceptance of the purchase order in text form within 7 calendar days after the purchase order date as otherwise GLS is entitled to cancel the purchase order.

## 4. Contents of Services

### 4.1 Services of the Supplier

The content of the contract is as agreed between the supplier and GLS.

On the request of GLS the supplier shall issue a certificate of origin for the delivered goods. Along with the delivery the supplier shall submit the safety data sheets legally required for the delivery as applicable from time to time.

#### 4.1.1 Guarantee – Property Rights

The supplier guarantees that the delivered goods will be free of defects, particularly free of material defects and processing errors for a period of twelve months after their delivery to GLS.

The supplier guarantees that in connection with the delivery of the goods, particularly by the acceptance, processing and resale of the goods as well as the use of the goods no copyrights, patent rights, licence rights or other property rights of third parties are violated.

The prescription period for the claims of GLS under this guarantee is three years and commences upon the notification of an event of guarantee to the supplier.

#### 4.1.2 Outgoing Goods Control

The supplier shall conduct an outgoing goods control.

#### 4.1.3 Invoices

Invoices shall include the purchase order number, the quantity and the quantity unit of the delivered goods, the name of the item and the item number, as well as the batch identification and/or the serial number.

#### 4.1.4 Export Control and Customs

The supplier agrees to provide all information and documents required under export and customs law, particularly information relating to goods, such as

- a) customs tariff number
- b) goods list item number in export and embargo lists
- c) US value ratio
- d) non-preferential origin
- e) preferential origin
- f) contact for inquiries.

## 4.2 Services of GLS

### 4.2.1 Prices

The agreed prices are fix prices including packaging, shipment and other accessory charges, including value added tax, unless expressly agreed otherwise. If the supplier reduces its list prices before the purchase order of GLS is dispatched for shipment, then the price reductions shall be applied to the respective purchase order already. The price on the date of order placement shall apply rather than the dispatch date or the invoice date. Any price increase must be approved by GLS explicitly in advance in text form.

### 4.2.2 Specialized Trade Discount

The supplier grants to GLS a specialized trade discount of 3% off the price as defined in sub-section 4.2.1. The bonus payments for each preceding quarter will be accounted for in the month following the end of the quarter and – at the option of GLS – set off against the following invoice of the supplier or paid to GLS.

In case of individual conditions agreements with GLS or its affiliates the individual agreements are leading.

## 4.2.3 Terms of Payment, Right of Retention, Set-off, Assignment

The purchase price is payable with a discount of 3% within 30 calendar days after the delivery and the receipt of the invoice or as the net amount within 50 calendar days of the receipt of the invoice.

GLS is entitled to set-off and retention rights to the full extent provided by law.

Any delay of GLS will take effect only upon the supplier's written request for payment of the purchase price.

Any right of retention of the supplier exists only with effect limited to the same contractual relationship. The supplier, however, may exercise a right of retention also for claims which are undisputed or determined without further legal recourse.

The supplier's set-off against counterclaims is only permitted to the extent as they are undisputed or determined without further legal recourse. In addition, the supplier may set off against counterclaims superseding any right of retention the supplier is entitled to under this contractual relationship.

## 4.3 Assignment

Any assignment of the purchase price claim shall only be allowed with the consent of GLS. In case of justified interest of the supplier, GLS will grant such consent. This applies particularly to goods provided to the supplier by third parties subject to reservation of title.

## 4.4 Reservation of Title

The alienation of the goods to GLS shall be unconditional and without regard to the payment of the price. If in a specific case GLS accepts a conditional offer of alienation of the supplier by paying the purchase price, the supplier's reservation of title shall cease no later than upon the payment of the purchase price for the delivered goods. In the ordinary course of business, GLS maintains its right to resell the goods also prior to the purchase price payment by previously assigning the claim resulting from such resale (alternatively application of the simple reservation of title extended to resale). Thus, specifically the extended reservation of title, the transferred reservation of title and the reservation of title extended to further processing shall be excluded by any means.

## 4.5 Delivery Advice, Shipment

The supplier shall send a delivery advice to GLS in text form (in writing or by electronic means) within 2 working days prior to the delivery indicating the purchase order number of GLS as well as the item number, item name, delivery quantity, batch identification and/or serial number of the individual items as well as – in case of partial delivery – the residual quantity, unless expressly agreed otherwise.

For freight shipments an advice of dispatch shall be sent to GLS separately on the date of dispatch. Shipping documents and advice of dispatch shall include the purchase order number of GLS and be unequivocally allocable to the delivery advice submitted before. In the event that no delivery advice should be submitted separately, the shipping documents shall include all the delivery advice data listed above.

If the shipment route and the means of transportation have not been agreed upon individually, it is DDP or DAP. For all other delivery terms a standard 0.5% freight surcharge will be charged on the order value. The freight surcharge will be billed at the end of each quarter for the previous quarter. GLS has the right to deduct from incoming invoices or bill to the supplier separately. The supplier shall send the goods via the shipment route defined by GLS and using the means of transportation defined by GLS.

The supplier shall make sure that the European legal regulations are complied with in implementing the export control the supplier is responsible for and shall also ensure the reliability of the supply chain.

The take-back duties of the supplier for transport packaging are subject to the statutory regulations.

## 4.6 Place of Performance, Passing of the Risk

The supplier shall deliver the goods to the destination defined by GLS and offer it for delivery at the destination.

The risk of accidental loss or accidental deterioration of the goods shall pass to GLS only at the time when the supplier properly offers the goods for delivery at the mentioned destination.

## 5. Liability of GLS

GLS is liable as provided in the legal regulations if the supplier asserts damage claims attributable to wilful acting or gross negligence, including wilful acting or gross negligence of representatives or agents with vicarious liability of GLS. If there is no wilful breach of contract, liability is limited to the foreseeable, typically occurring damage.

GLS is liable as provided in the legal regulations if GLS culpably violates any material contractual duty in which case liability for damages is limited to the foreseeable, typically occurring damage.

If, apart from the foregoing, the supplier is entitled to compensation of the damage *in lieu* of performance due to a negligent breach of duty, the liability is limited to compensation for the foreseeable, typically occurring damage.

Liability for culpable injuries with lethal consequences or resulting in physical disability or damage to health shall not be affected.

Unless provided differently in these GTC, liability is excluded.

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### 6. Claims for Defects

If the delivered goods have material defects or defects of title, GLS will have the right to opt for requesting either subsequent performance pursuant to sec. 437 BGB (removal of the defect or delivery of an item free of defects) or reduce the purchase price, withdraw from the contract and claim compensation for damages, if any. If GLS withdraws from the contract, its claim for damage compensation *in lieu* of performance shall not be affected by the above.

If GLS opts for subsequent performance in form of removal of the defect, the prescription of its claims for defects is intermitted as of the date of the defect notification to the supplier until its removal.

In urgent cases GLS has the right to remove damages, if any, by itself upon coordination with the supplier and to claim reimbursement of the expenses required for such defect removal.

Warranty claims for defects become statute-barred within 36 months after the passing of the risk, unless the mandatory provisions of sec. 445a, 445b BGB apply.

### 7. Duty to Inspect and Notify

A defect notice is considered as given in due time if dispatched to the supplier within 5 working days after GLS received the goods. In case of hidden defects the period commences upon the discovery of the defect. In any other respect, the legal regulations apply.

### 8. Supplier Recourse

GLS is entitled without restriction to the claims for recourse within a supply chain defined by law (supplier recourse pursuant to sec. 445a, sec. 445b, sec. 478 BGB) in addition to claims for defects. In particular, GLS has the right to claim exactly the type of subsequent performance (subsequent improvement or replacement delivery) from the supplier, which we owe to our customer in the specific case. The legal right of choice (sec. 439 para. 1 BGB) of GLS is not restricted by the foregoing. Prior to GLS acknowledging or fulfilling a claim for defects asserted by a customer, GLS will inform the supplier adding a brief description of the facts and asking the supplier for a written statement. If no substantial statement is received within a reasonable period, and if no solution by common consent is achieved, either, the claim for defects actually awarded by GLS shall be deemed owed to the customer. In such a case, the supplier is responsible for calling evidence in rebuttal.] [The claims of GLS in connection with supplier recourse shall also apply if the defective goods have been further processed by GLS or another entrepreneur, e.g. by integrating them into another product.

### 9. Product Liability

Where the supplier is responsible for a damage to the product, the supplier shall indemnify GLS from third-party damage claims upon first request to the extent in which the cause originates in the supplier's sphere of control and organization and the supplier is liable itself in the exterior relationship.

Within the scope of this duty to indemnify, the supplier shall also refund expenses incurred by GLS, as the case may be, and compensate for damages resulting from a product defect or a recall program carried out in connection with a product defect. GLS will inform the supplier - as far as possible and reasonable - of the contents and the scope of such recall program and offer the supplier the opportunity to deliver a statement.

The supplier shall maintain product liability insurance with a reasonable sum insured for any event of damage; additional damage claims of GLS shall not be affected by the foregoing.

### 10. Delivery Dates

GLS is not obliged to accept delivery prior to the lapse of the delivery period. The agreed delivery periods and dates are binding. Agreed delivery periods commence on the purchase order date and are deemed complied with when the delivery was received as agreed prior to the lapse of the period or - if collection was agreed upon - readiness for dispatch was notified prior to the lapse of the period.

The supplier shall inform GLS without undue delay of any impending or occurred non-compliance with a delivery date, the relevant causes and the prospective duration of the delay. The taking effect of the delay in delivery shall not be affected by the foregoing.

If the supplier delays in performing its service, GLS has the right - upon reminder - to request penalty at a rate of 1% of the net order value of the delivery for each started week, however not to exceed 10% of the net order value of the delivery and/or to withdraw from the contract. Legal claims in the event of delay in delivery shall not be affected. The paid penalty will be set off against any damage claims of GLS.

### 11. Confidentiality

The supplier shall treat as business secret the purchase orders for goods of GLS and all the commercial and technical details relating thereto. Likewise, GLS shall keep secret circumstances associated with the supplier's business operation which GLS comes to know on the basis of the business relationship.

Both parties have the right, however, to refer to the business relationship as such for promotion purposes.

### 12. General Provisions

#### 12.1 Choice of Law

The entire business relationship between GLS and the supplier is governed by the law of the Federal Republic of Germany on an exclusive basis. The application of the UN Sales Law is expressly excluded.

#### 12.2 Venue of Court

Venue of court for all disputes resulting from the business relationship between GLS and the supplier shall be Kassel, Germany. GLS, however, is also entitled to opt for asserting own claims at the supplier's venue of court.

### 12.3 Severance

If any of the provisions of these GTC or individual agreements entered into additionally, if any, should be or become invalid, as a whole or in part, it shall not affect the validity of the remaining provisions.

### 12.4 Events of Force Majeure/Acts of God

Events of force majeure/acts of God entitle GLS to withdraw from the contract if it becomes impossible for GLS to fulfil its duties to the supplier as a result of such force majeure/acts of God.

Strike, lock-out, mobilisation, war, armed conflict, civil war, coup d'état, terrorism, piracy, blockade, import and export bans, traffic disruptions and other circumstances which are not under the control of GLS are equivalent to events of force majeure/acts of God.