

General Purchasing Conditions of SABIK Offshore GmbH

Last updated: January 2016

The following conditions apply exclusively to our orders unless otherwise agreed in writing. We do not recognise purchasing conditions that diverge from this. Differing verbal arrangements require our written confirmation to become effective. The currency specified here is the euro.

1. Order confirmation

Orders and agreements are only binding if we issue or confirm them in writing or by e-mail.

2. Delivery

The supplier has to inform us immediately if he becomes aware of circumstances that may delay delivery. In the event of the failure to meet fixed deadlines or guarantees for the condition (assured features, properties and qualities), we can withdraw from the contract or make a claim for damages on the grounds of breach of duty if the statutory requirements are met. The statutory provisions apply in all other cases. Deliveries are to be made under specification of the prescribed details and labels/markings. We are entitled to refuse delivery in the event of failure to comply with this. This also applies to deliveries to a third-party we have designated as a recipient. If products are delivered on pallets, only replaceable Euro pallets in perfect condition (*Deutsche Bahn* standard) are to be used. We are entitled to charge the current replacement value for any damaged pallets we identify while processing the goods delivered. Deliveries made on disposable or non-standard pallets must be expressly approved by us in advance. When shipping is performed by a freight company, the supplier undertakes to inform the aforementioned company that we are a waiver customer for cartage insurance (CI) and forwarding agent's insurance (FAI).

3. Payment

Payment is due within 30 days minus a 3% cash discount, or net, within 60 days. Place of payment is Schwerin. The payment deadline period begins on receipt of the invoice at the earliest, but not before the ordered goods are received. Payment is deemed to be effected on the day our bank debits our account. Invoices must always bear the **order number** we issue at the time of ordering, otherwise the payment deadline period does not commence.

4. Warranty claims

If the supplier sells us a product, he must deliver it to us free from material defects and defects of title. If we identify a defect, we reserve the right to choose between requiring rectification of the defect or delivery of a fault-free product. If the supplier fails to rectify the defect himself within a reasonable period of grace determined by us, we will rectify it ourselves and require compensation for the costs incurred, except in cases where the supplier refuses to rectify the defect on legal grounds. Further statutory claims remain unaffected by this. If the supplier refuses to rectify the defect under Sec. 439 Para. 3 of the German Civil Code (BGB - GCC) without being entitled to do so, or if he fails to rectify it correctly, we are entitled to rectify it ourselves, even before the grace period we have granted has expired. We reserve the right to make claims for damages on the grounds of breach of duty in all cases. Claims for visible defects are made in due time if they are notified to the supplier within two weeks of immediate inspection. Claims for hidden defects are made in due time if they are notified to the supplier within two weeks of their discovery. Notification of the defect within due time is sufficient to satisfy our rights. Claims for defects expire by limitation 36 months after delivery if no additional agreement is reached. Limitation of claim enters into force no earlier than two months after we have satisfied any claims to recourse made by other companies or consumers in respect of these defects, and no later than five years after the supplier has delivered the product to us. In the event of the fault-free replacement of a defective product, the limitation period for claims begins anew unless the supplier disputes the defect and

fulfils the contract solely as a sign of goodwill. This also applies to any subsequent improvement if the defect is based on the improved defect or owing to the consequences of flawed improvement.

5. Safety and the environment

The supplier guarantees (assures) that the goods he delivers, including its packaging, comply with the respective, applicable German and EU statutory regulations, the standards generally deemed acceptable at the time in question, the basic specifications of the order and, if applicable, the special conditions specified in the order. He also guarantees that the goods have been manufactured or treated under perfect conditions and with all due care and attention, under application of the requisite quality control measures. If deliveries comprise technical material, which also includes its packaging material, the supplier also guarantees that it meets current technological standards, whereby articles of daily use must specifically meet the recommendations of the *Bundesinstitut für Risikobewertung* (German Federal Institute for Risk Assessment). In particular, the products must comply with the stipulations of the most recent versions of the RoHS and REACH directives. SABIK Offshore GmbH is highly committed to protecting the environment. In keeping with the central tenets of our environmental policy, the use of environmentally-friendly technologies and the protection of natural resources, we expect our suppliers and service providers to also observe these environmental criteria when manufacturing and procuring the products and performing the services to be rendered that we order. We also expect our employees and contractors to observe and implement these principles (to see 11).

6. Quality assurance and termination of contract in the event of non-compliance

SABIK Offshore GmbH or a third-party appointed by SABIK Offshore GmbH is authorised to check that the contractually specified quality and safety requirements have been met by performing a company audit. SABIK Offshore GmbH or the third-party is particularly entitled to check raw materials, auxiliary materials and packaging materials stored on the supplier's premises, monitor production procedures during working hours, take samples and view the production, quality and control records for the goods to be delivered. Excluded from this are details relating to specific process methods insofar as these are trade secrets held by the supplier. Furthermore, SABIK Offshore GmbH or the third-party undertake not to divulge to other third-parties any knowledge of internal matters concerning the supplier gleaned during such an inspection. Performance of a company audit and the findings relating to the same have no effect on assessing defects in the goods delivered. If the company audit reveals that the supplier has not met the requirements specified in Clause 1, SABIK Offshore GmbH shall grant the supplier a reasonable period of grace to rectify the shortcomings. If the supplier fails to do so within the period of grace, SABIK Offshore GmbH shall be entitled to withdraw from existing supply contracts with immediate effect. A deadline does not have to be set if the complaints cause major, acute threats to product and occupational safety.

7. Security declaration

The supplier warrants that any goods produced, stored or shipped on our behalf, or otherwise delivered to or transferred to us, are produced, stored, processed or handled and loaded at secure business premises and cargo handling facilities and are protected from any unauthorised access during production, storage, processing or handling, loading and shipping. The supplier warrants that personnel appointed to the production, storage, processing and handling, loading, shipping and acceptance of such goods are trustworthy. The supplier also warrants that any business partners acting on his behalf have also been instructed in the measures that are to be taken to ensure the integrity of the aforementioned supply chain. The supplier hereby gives his consent to his data being checked against the sanctions lists under EU Regulations (EC) No. 2580/2001 and No. 881/2002.

8. Authorisation to work on Sundays and public holidays

Insofar as deliveries or services are scheduled on Sundays or public holidays, the contract partner guarantees that he holds valid authorisation issued by the authority responsible provided no exception exists under Section 13, Article 3, 2a), Section 13, Article 5, Section 10, Article 1, Section 1, Items 14-16, Section 10, Article 2 and Section 14, Article 1 of the German Working Hours Act (*Arbeitszeitgesetz*). The contract partner undertakes to carry a copy of this authorisation with him at all times while fulfilling the order. SABIK Offshore GmbH is entitled to refuse delivery and/or execution of the services if the contract partner fails to provide the authorisation, and also reserves the right to make any claims for damages in relation. The contracting party reserves the right to verify compliance with this agreement. All further stipulations of the German Working Hours Act (*Arbeitszeitgesetz*) are to be complied with in binding form.

9. Place of performance

Sabik Offshore GmbH
Wilhelm-Maybach-Straße 3,
19061 Schwerin,
Germany

Place of performance for deliveries and services is the point of receipt specified by us. Place of performance for all payments is the SABIK Offshore GmbH's bank account. Risk transfer also takes place there.

10. Jurisdiction and applicable law

Place of jurisdiction is Schwerin if the supplier is a merchant. The statutory regulations of the Federal Republic of Germany apply in all cases.

11. The environmental, occupational and health protection principles of SABIK GmbH

The principles we have devised are designed to help us make a contribution to improving environmental, occupational and health protection. We expect our employees and contractors to observe and implement these principles.

- Developing an environmental, occupational and health protection policy
- Identifying and undertaking to comply with the laws that apply to all areas of the company
- Identifying and fulfilling social requirements relating to environmental, occupational and health protection
- Undertaking to continually improve products and production procedures
- Regular systematic evaluation of our management system for effectiveness
- Drafting of risk reports and analyses to derive and implement suitable measures for avoiding or minimising injuries and damage
- Taking account of the state-of-the-art when implementing the specified measures
- Including our employees and their hints and suggestions when implementing environmental, occupational and health protection
- Improving the skills of our employees by having them participate in the training measures necessary for performing their duties
- Providing the requisite material for personal protective equipment
- Regularly performing occupational protection instruction sessions
- Improving occupational protection by reporting and evaluating incidents under inclusion of the employees
- Identifying environmental aspects and performing environmental analyses to derive and implement suitable measures
 - for the efficient handling of available resources to prevent and recycle waste, and dispose of it in an environmentally-friendly manner, and to reduce hazardous materials and other effects damaging to the environment in our products und production processes under inclusion of our employees