

General Conditions of Purchase

1. General/Scope of validity

1.1 All deliveries, services and quotations are exclusively on the basis of these conditions of purchase. They form the basis of all quotations and agreements and are considered to have been confirmed for the duration of the business relationship through the placing of an order or the acceptance of a delivery. Conditions from the supplier/manufacturer, which oppose or are at variance with these conditions of purchase, will not be accepted unless the company GAHRENS+BATTERMANN GmbH & Co. KG – hereafter G+B – has clearly agreed to their validity in writing. They also apply for all future deliveries/services from the supplier/manufacturer, even if they have not been specifically agreed again.

1.2 Conditions from the supplier/manufacturer, which oppose or are at variance with these conditions of purchase, are not applicable, even if G+B does not contradict them in individual cases and/or accepts the delivery without reservation.

1.3 These conditions of purchase are valid for business with companies, legal persons governed by public law and special funds governed by public law according to § 310 section 1 BGB (German Civil Code).

1.1 All agreements between G+B and the supplier/manufacturer are to be written by a person with power of representation. Delivery call-ups can only be in writing or by data transfer. No verbal understandings have been agreed outside this contract. Employees of G+B are not entitled to agree additional verbal understandings or to give verbal assurances, which exceed or alter the written content of this contract.

2. Orders/Prices/Payment conditions

2.1 Only written orders are binding on G+B. G+B is entitled to cancel an order without charge, if the supplier has not confirmed it in writing. As long as the orders are not cancelled by G+B and contain no clear commitment period, then G+B considers itself bound for 2 weeks. Delivery call-ups are binding at the latest if the supplier does not contradict them within 2 weeks.

2.2 The details stated in orders and call-ups from G+B concerning type, quality, size, weight, quantity, extent etc. are binding and are to be observed unconditionally by the supplier/manufacturer. Variations from these are only binding with the prior written agreement of G+B.

2.3 The prices agreed with G+B are fixed prices and are to be understood as carriage paid to G+B or to a reception location stated by G+B including all other charges plus the statutory VAT.

2.4 Unless otherwise agreed, payment will be made within 14 days with 3 % discount or within 30 days net.

2.5 This period begins with the receipt of a correct and verifiable invoice, not however before the receipt of the goods or services according to contract. If documentation or other paperwork is included in the scope of the delivery, then the period does not start before the provision of these according to contract. Payments imply no acknowledgement of the delivery or services being in accordance with the contract. If deliveries/services are defective or incomplete, then G+B is entitled, without prejudice to all other rights, to retain payments for claims resulting from the business relationship to a reasonable extent until correct fulfillment. Acceptance will take place, as selected by G+B, either at the supplier/manufacturer, at G+B or at a location decided by G+B. If early deliveries are accepted, then the period begins at the earliest with the agreed delivery date. The choice of payment method (e.g. cheque or bill of exchange) is at the discretion of G+B.

2.6 Invoices are to be presented with details of supplier's address, G+B order number, supplier's delivery note number, quantity, unit price and quantity per delivery. If payment is delayed, then the delay interest is 5 percentage points above the base rate according to § 247 BGB.

2.7 The supplier/manufacturer is not entitled to assign claims belonging to him against G+B or to have these collected by third parties. The provisions of § 354 a HGB (German Commercial Code) remain unaffected by this. G+B are entitled to the right of charging and retention to the extent allowed by law. Particularly, G+B can offset claims of the supplier/manufacturer against debit notes or credit notes.

3. Type and extent of the delivery/delivery deadlines

3.1 The delivery dates and deadlines stated by G+B in the order are binding and are to be complied with unconditionally. The compliance with the delivery date or deadline is defined by the receipt of the goods at G+B. If the delivery has not been agreed „carriage paid“, then the supplier/manufacturer is to make the goods available in good time, taking into account the usual time for loading and dispatch, and is to notify G+B of this without delay in writing.

3.2 In case of a call-up order or delivery plan, the delivery of the goods or the production is to take place according to the delivery plan.

3.3 The supplier/manufacturer shall inform G+B without delay in writing, stating the reason, if circumstances arise or become clear to him, which will or could lead to a delay to the delivery or a deterioration of the agreed quality. The supplier/manufacturer can only invoke causes of delay, which are not his fault, if he has correctly fulfilled this duty of notification.

3.4 In case of delay, G+B is entitled to demand a contract penalty from the supplier/manufacturer. This amounts to 0.5 % for each started week of delay, up to a maximum of 5 % of the total order value. The agreement or assertion of a contract penalty does not affect the statutory rights due to G+B in case of delay. Paid contract penalties will be deducted from claims for damages. The contract penalty can be asserted until payment for the delayed goods, even if G+B has not reserved the right to assertion at handover/ acceptance.

3.5 Partial deliveries and deliveries of extra or short quantities are only permissible with the prior written agreement of G+B. Within the framework of what is reasonable for the supplier/manufacturer, G+B can require alterations to the design or construction of the delivery/service. In this case, verifiable extra costs caused by G+B are to be paid and verifiable savings are to be refunded to G+B.

4. Force majeure

Should G+B on account of unforeseen events like force majeure, industrial action, operational interruptions of any type or reduced needs caused by reduced demand, resulting in a reduced usage, not be in a position to accept the delivery/service according to the delivery plan, then

G+B is entitled to alter the delivery plan correspondingly without the supplier/manufacturer gaining the right to damages or an increased price. Additionally, G+B – without prejudice to other rights – is entitled in this case to terminate the contract wholly or partly, as long as the circumstances stated above are of significant duration and result in a considerable reduction in the needs of G+B. Both contract parties will attempt to inform each other of cases of force majeure and to adapt their obligations to the altered circumstances in good faith.

5. Risk transfer/dispatch

5.1 The supplier/manufacturer bears the risk of accidental loss or damage, even if shipment has been agreed, until acceptance of the goods by G+B at the agreed delivery location.

5.2 G+B reserves the right to separately specify the delivery route and means as well as the form of transport, the transport company and the type of packaging in advance. If no other agreement has been reached about this, then the cheapest type and cheapest extent of transport service as well as the appropriate type of dispatch and packaging for the distance are to be chosen. The dispatch is to be in suitable packaging, which rules out damage to the goods. If reusable packaging is sent back to the supplier/manufacturer carriage paid, then G+B is entitled to repayment of the value of the packaging.

5.3 Deliveries are to be insured at the cost of the supplier/manufacturer against transport damage until acceptance of the goods by G+B. Return deliveries are sent at the risk of the supplier/manufacturer.

6. Retention of title

The possibility of retention of title to the delivered goods by the supplier/manufacturer until complete payment of the relevant purchase price is acknowledged. Any further or extended reservation of title is not acknowledged and is ruled out.

7. Confidentiality

7.1 The supplier/manufacturer shall only use any samples, models, forms, illustrations, drawings, calculations and other documents, which he receives in connection with a G+B order, for the contractually intended purpose and keep these strictly confidential. Disclosure to third parties requires the express prior written permission of G+B. On request by G+B, all the documents and information and lent-out objects stated above are to be returned completely and without delay to G+B, or if they choose, destroyed.

7.2 This duty of confidentiality continues to be valid after the end of the order or the business relationship and only lapses if and to the extent that the production knowledge contained in the documents and information has become generally known.

7.3 The supplier/manufacturer shall not make use of his business relationship with G+B in advertising without the prior written permission of G+B.

7.4 G+B expressly reserves title to all other rights, particularly all industrial property rights and copyrights and/or the right to apply for industrial property rights concerning documents and information made available by G+B. Copies may only be made with the prior written permission of G+B. Reproductions become the property of G+B with their creation.

8. Notification of defects

Acceptance is subject to investigation of absence of defects. If a quality assurance agreement regulates the duty of G+B to investigate and report defects, then its provisions apply. If there is not such an agreement, then the incoming goods inspection at G+B only covers externally visible defects and externally recognizable deviations of identity and quantity. For such clear defects the report of the defect is in good time, if it is done within 2 weeks of receipt of the goods. G+B reserved the right to implement further inspections of incoming goods. Defects, which are discovered under the conditions of proper business procedures, will be reported by G+B 2 weeks after their discovery. To this extent, the supplier/manufacturer waives objection to delayed reporting of defects. The sending of the report of a defect in good time suffices for the observation of deadlines.

9. Defects liability/reimbursement of expenses/limitation

9.1 If the delivery item is defective, G+B shall be entitled to the statutory claims for defects in full, unless otherwise stipulated in the following provisions. G+B shall be entitled to demand that the supplier/manufacturer, at its own discretion, rectify the defect or deliver a new item.

9.2 The manufacturer/supplier shall be entitled to refuse the type of subsequent performance chosen by G+B if the requirements of § 439 Paragraph 3 BGB are met. The right to compensation for damages is expressly reserved.

9.3 In urgent cases, in particular if operational safety is endangered, if there is a risk of unusually high damage or in order to maintain G+B's ability to deliver to customers, G+B shall be entitled, after consultation with the supplier/manufacturer, to remedy the defect itself or to have it remedied by a third party at the latter's expense.

9.4 Unless otherwise prescribed by law, the supplier/manufacturer shall be liable for defects that occur within 36 months from receipt of the delivery by G+B or from acceptance. In the case of subsequent performance, the period shall be extended by the time during which the delivery item cannot be used in accordance with the contract. The same periods shall apply to subsequent performance. The statute of limitations for claims for defects shall commence at the earliest two months after the customer's claims have been fulfilled. The suspension of expiration ends at the latest 5 years after delivery to G+B. If a material defect becomes apparent within 6 months of the transfer of risk, it shall be presumed that the item was already defective at the time of the transfer of risk, unless the presumption is incompatible with the nature of the item or the defect.

9.5 The supplier/manufacturer shall be liable for all damages and expenses incurred directly or indirectly by G+B as a result of defects in the item. In this context, those expenses incurred for an incoming goods inspection exceeding the usual scope shall also be liable for compensation. If a defective delivery has already been processed, the supplier/manufacturer shall also be obliged to reimburse the costs associated with the removal and return of the defective parts.

9.6 The supplier/manufacturer shall further reimburse expenses incurred by the customers of G+B or G+B itself in advance in connection with defect liability events for the purpose of early damage reduction or defense, e.g. recall campaigns.

9.7 G+B reserves the right of recourse against the supplier/manufacturer insofar as G+B takes back manufactured and/or sold contractual items due to the defectiveness of the parts

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supplied by the supplier/manufacturer or if the purchase price is reduced vis-à-vis G+B for this reason or G+B is otherwise held liable. In this case, no separate deadline needs to be set for the assertion of G+B's defect rights.

10. Sustainability requirements for suppliers and subcontractors

10.1 Principle: All our suppliers and subcontractors are required to comply with the sustainability requirements set out in this Code of Conduct. To this end, they must provide the appropriate resources in their companies and incorporate all principles applicable to them in terms of policies and procedures. For their part, they shall ensure that similar standards are passed on along the supply chain.

10.2 Child labor and young workers: Child labor in our supply chain is not compatible with our corporate principles. Our suppliers and subcontractors are expressly obliged to prevent any kind of child labor in their companies. No employees under the legal minimum age may be employed.

10.3 Wages, social benefits and working hours: The appropriate payment of employees, the granting of social benefits and the fair organization of working hours and working conditions in accordance with applicable laws, in particular also women's rights, must be guaranteed.

10.4 Forced Labor: Cooperation with our company will not be established or will be terminated immediately if business contacts engage in forms of human trafficking and forced labor.

10.5 Freedom of association: The right to freedom of association and collective bargaining is protected in the supplying companies.

10.6 Health and environment: Our suppliers offer their employees a working environment that promotes accident prevention and minimizes health risks. They comply with the relevant legal regulations and national standards in this regard. When handling, storing, transporting, disposing of, recycling and recycling of waste, waste gases and wastewater, suppliers must ensure that all activities ensure that all activities that may have a negative impact on human health or the environment are appropriately managed, measured and controlled. The release of hazardous substances must be prevented in all cases.

10.7 Non-discrimination and harassment: It is essential for successful cooperation that our suppliers also see and enforce the principles of equal treatment as an essential part of their corporate policy. Interaction with other people must not be influenced, either consciously or unconsciously, by characteristics such as age, disabilities, ethnic origin, marital status, gender, genetic information, national origin, physical characteristics, political affiliation, pregnancy, religion, social origin, sexual orientation, trade union membership or any other illegal criterion. On the part of our business contacts, we must ensure that no team member experiences discrimination in any way.

10.8 Anti-Corruption: Corruption, extortion or bribery shall not be tolerated or encouraged by any of our suppliers or subcontractors. In business dealings, they shall not accept bribes or other unlawful inducements, nor offer them themselves. Business relationships must not be influenced in any way by gifts or in any other unfair manner and must not violate applicable laws or ethical standards.

10.9 Data protection and intellectual property: Suppliers undertake to treat confidential information in an appropriate manner and to protect it accordingly. They must ensure that data worthy of protection and the valid intellectual property rights of their own employees and business contacts are secured. The confidential information or data of customers as well as business partners shall be appropriately managed by suppliers and protected from unauthorized access or use, disclosure, modification or the destruction of the data. Personal information is collected only for legitimate business purposes and is used only in a legal, transparent and secure manner. It is disclosed only to persons authorized to access it. Information is handled in accordance with security regulations and kept only as long as necessary, and third parties with access to personal information are also required to respect its protection. The requirements of the GDPR are to be observed.

10.10 Financial Responsibility and Information Disclosure: Suppliers make a commitment to build business continuity plans for operations in a way that is beneficial to our customers' business. Likewise, our suppliers report immediately when goods and services may be negatively impacted.

10.11 Fair Competition and Antitrust Law: Suppliers shall compete fairly and comply with applicable and valid competition and antitrust laws and shall not enter into any anti-competitive agreements with third parties.

10.12 Conflicts of interest: The supplying companies must inform us of any situation in which a conflict of interest could arise, for example if G+B employees have received professional, private and/or significant financial benefits.

10.13 Counterfeiting: Supplying companies are obliged to take all necessary and reasonable measures within their area of responsibility so that neither products nor their workable components or raw materials or the corresponding know-how fall into the hands of unauthorized third parties and/or leave the legitimate supply chain.

10.14 Intellectual property: Confidential information may only be used in an appropriate manner and suppliers must protect it accordingly. This includes ensuring that data worthy of protection and the valid intellectual property rights of their own employees as well as those of their business partners are safeguarded.

10.15 Export Controls and Economic Sanctions: Supplying companies agree to comply with applicable export control regulations and applicable economic sanctions for their business and to provide accurate and truthful information about them to customs and other authorities as required.

10.16 Energy consumption and greenhouse gas emissions: Natural resources, such as water, energy sources or raw materials, shall be used sparingly and protected. To promote renewable natural resources, suppliers shall consider the application of generally accepted sustainability standards and certifications. The avoidance of negative impacts on the environment and climate, caused by suppliers themselves or within their supply chain, is mandatory. The principles of the circular economy are followed. These include, for example, material reduction and substitution, as well as the return of these, shared use, maintenance, reuse, remarketing, remanufacturing, reworking and recycling. Suppliers shall strive to engage in the development and use of environmentally and climate friendly products,

processes and technologies. This includes a commitment to strive to minimize greenhouse gas emissions.

10.17 Responsible chemical management: Finally, suppliers must ensure that they do not supply and use products containing metals whose source minerals or derivatives originate from a conflict region.

10.18 Protection from retaliation: Each supplier must establish communication channels that allow their employees to file complaints or report possible wrongful conduct without fear of repression, intimidation or harassment. This requires that any communication be treated confidentially. They shall also encourage their employees to report breaches of this Code of Conduct on an ongoing basis.

11. Industrial property rights of third parties, exemption

The supplier/manufacturer undertakes to fulfil a delivery or a service free of industrial property rights of third parties. If such claims are still made against G+B, then the supplier/manufacturer shall indemnify G+B against claims from third parties resulting from the infringement of industrial property rights. If G+B or a customer of G+B is prevented from manufacturing or delivering on account of an infringement of industrial property rights, then the supplier shall compensate G+B for resulting damage and at the choice of G+B either purchase a licence from the owner of the industrial property rights or take back the delivered goods. The duty of exemption of the supplier/manufacturer covers in this case all costs and expenses, which arise for G+B from or in connection with the assertion of rights by third parties. The limitation period for such claims is 10 years. It begins with the delivery of the goods, regarding which the duty of exemption arises.

12. Product liability

12.1 The supplier/manufacturer is liable for all claims made by third parties against G+B on account of damage to goods or injury to persons resulting from defective products delivered by him. He shall indemnify G+B from the resulting liability. In cases of liability arising from blame, this however only applies if the supplier/manufacturer is at fault. If the cause of the damage lies within the responsibility of the supplier/manufacturer, then he also bears the duty of proof. The supplier/manufacturer shall bear in these cases all costs and expenses, including the cost of any legal action or product recall. In other cases, the legal regulations apply.

12.2 The supplier/manufacturer shall maintain at his own cost a product liability insurance with a covered sum at least 3,000,000 EUR (in words; three million Euros), which also covers the risk of recall. He shall on demand from G+B provide a copy of the liability insurance policy at any time.

13. Industrial property rights

13.1 The supplier/manufacturer vouches for the fact that, in connection with his delivery, no industrial property rights of third parties are infringed in the countries of the European Union, North America or other countries, in which he manufactures the products or has them manufactured.

13.2 The supplier/manufacturer shall indemnify G+B from all claims, which third parties assert against G+B on account of the infringement of industrial property rights as stated in section 1 and compensate all expenses arising from such an assertion. This requirement is unaffected whether the supplier is at fault or not.

14. Replacement parts

14.1 The supplier/manufacturer shall hold spare parts for the products delivered to G+B for a period of at least 15 years after the delivery unless another agreement has been made in writing.

14.2 If the supplier/manufacturer intends to cease production of the spare parts for the products delivered to G+B, then he shall inform G+B of this without delay after deciding to cease production. This decision must – subject to section 1 – be at least 12 months before the cessation of production.

15. Initial sampling

If G+B requires an initial sampling, then series production shall not start until after G+B has approved the sample in writing. The quality requirements are then specified by G+B and regulated in a separate agreement.

16. Disposal of used parts

Tools, equipment, models, drawings, forms and other used parts are, at the choice of G+B, to be returned to G+B or disposed of by G+B at the cost of the customer. Disposal may only take place with the prior express permission of G+B.

17. Data protection

G+B is entitled to electronically save and process all data about the contract partner, which is connected with the business relationship, for the purpose of implementing the contract and under observation of the provisions of the Federal Data Protection law.

18. Place of fulfilment/Jurisdiction/Applicable law

18.1 Place of fulfilment for both sides and exclusive jurisdiction for all disputes from this contractual relationship is the head office of G+B in Bergisch Gladbach, Germany.

18.2 The contracts concluded between G+B and the supplier/manufacturer underlie the law of the Federal Republic of Germany, with the Convention on Contracts for the International Sale of Goods being excluded.

18.3 The contract language is German. For non-German-speaking customers, translations can be produced at the request of the supplier. The cost of this will be borne by the supplier. G+B does not guarantee the correctness of the translation.

19. Final provisions

19.1 Should one provision of these purchase conditions and the supplementary agreements be or become invalid, then the validity of the remaining contract remains unaffected. The contract parties are obliged to replace the affected provision with a provision, which has the nearest possible meaning in terms of commercial success.

19.2 Alterations and additions to the contract need to be in writing. This also applies to alterations to the written form clause. No supplementary verbal undertakings have been made.