



Terms and Conditions of Purchase of Heimbach GmbH

I. Scope

- (1) The following Terms and Conditions of Purchase of Heimbach GmbH (hereinafter referred to as "Purchaser") shall apply exclusively to all business relationships with our Suppliers and shall form an integral part of each order. Contradictory and conflicting terms of sale and delivery of the Supplier shall not become part of the contract unless the contracting parties have expressly agreed in writing in individual cases. These Terms and Conditions of Purchase shall also apply even if the Purchaser accepts the goods without reservation in the knowledge of contradictory terms and conditions of the Supplier. Individual agreements made in individual cases with the Supplier (including ancillary agreements, supplements and amendments) shall always take precedence over these Terms and Conditions of Purchase. Subject to proof to the contrary, a written contract or our written confirmation is decisive for the content of such agreements.
- (2) These Terms and Conditions of Purchase shall apply in particular to contracts for the sale and/or delivery of movable goods ("Goods"), irrespective of whether the Supplier manufactures the Goods itself or purchases them from Suppliers (Sections 433, 651 BGB). Unless otherwise agreed, the terms and conditions of purchase in the version valid at the time of the order or, in any case, in the version last notified to the Purchaser in writing shall also apply as a framework agreement for similar future contracts without the Purchaser having to refer to them again in each individual case.
- (3) These Terms and Conditions of Purchase shall only apply to entrepreneurs within the meaning of Section 14 BGB (German Civil Code).
- (4) Legally relevant declarations and notifications by the Supplier with regard to the contract (e.g. setting of a deadline, reminder, withdrawal) must be made in writing, i.e. in written or text form (e.g. letter, e-mail, fax). Legal formal requirements and other evidence, especially in case of doubts about the legitimacy of the declarant, remain unaffected.

II. Purchase order

- (1) The order must be accepted in writing within one week. After expiry of this period, the Purchaser is no longer bound to the order.
- (2) The order confirmations shall correspond in all points to the orders. The Supplier is obliged to expressly point out deviations in the order confirmation.
- (3) All illustrations, drawings, calculations, models, devices, tools and other aids provided for the execution of the order shall remain the property of the Purchaser. They may not be made accessible to third parties without express written consent and must be kept confidential. The above-mentioned aids are to be used exclusively for production based on the order. After completion of the order or termination of the Supplier relationships in the case of a longer-term



business relationship, they are to be returned to the Purchaser without being requested and without delay.

III.

Price and payment conditions

- (1) The agreed price is a fixed price. Unless otherwise agreed in writing, the price shall include delivery to the plant of the Purchaser, including packaging. The legal value added tax ("VAT") is included in the price. VAT must be itemised separately on any invoice.
- (2) All order confirmations, delivery documents and invoices shall contain our order number, the article number, delivery quantity, delivery address and VAT identification number (in the case of Suppliers registered in Germany additionally the tax number). The Supplier is responsible for all consequences arising from non-compliance with this obligation, unless he can prove that he is not responsible for them.
- (3) Unless otherwise agreed in individual cases, the price shall include all services and ancillary services of the Supplier (e. g. assembly, installation) as well as all ancillary costs (e. g. proper packaging, transport costs including any transport and liability insurance).
- (4) Unless otherwise agreed in writing, the Purchaser shall pay the purchase price within 14 days, calculated from delivery and receipt of invoice, with 2% discount or within 30 days after receipt of invoice without deduction. In the case of a bank transfer, payment shall be deemed to have been made in due time if the Purchaser's transfer order has been received by his bank before expiry of the payment period; the Purchaser is not responsible for delays caused by the banks involved in the payment process.
- (5) The Purchaser does not owe any interest on the due date. Default of payment shall be subject to the statutory provisions.
- (6) The Purchaser shall be entitled to set-off and retention rights as well as the defence of non-performance of the contract to the extent permitted by law. In particular, it shall be entitled to withhold payments due as long as it still has claims against the Supplier arising from incomplete or defective performance.
- (7) Payments made by the Purchaser shall not constitute recognition of the contractual nature of the service.

IV.

Prohibition of Assignment

The Supplier shall not be entitled to assign claims against the Purchaser in whole or in part to third parties without the Purchaser's prior written consent. This does not apply to monetary claims.

V.
Time of Delivery

- (1) The delivery time stated in the order and specified by the Supplier in the order confirmation shall be binding.
- (2) The Supplier shall be obliged to inform the Purchaser immediately in writing if circumstances arise or become apparent to the Purchaser, which indicate that the agreed delivery time cannot be met. The Supplier shall not be entitled to render partial services without the Purchaser's consent.
- (3) If the date on which delivery is to be effected at the latest can be determined on the basis of the contract, the Supplier shall be deemed to be in default on the expiry of this day without a reminder being required by the Purchaser.
- (4) In the event of a delay in delivery, the Purchaser shall be entitled to the statutory claims without restriction, including the right to withdraw from the contract and the right to claim damages in lieu of performance after the expiry of a reasonable period of grace.
- (5) If the Supplier is in default, the Purchaser shall be entitled to demand lump-sum damages for delay in the amount of 1% of the contract value for each week or part thereof, but not more than a total of 5%. The Purchaser reserves the right to assert further legal claims. The Supplier shall be entitled to prove to the Purchaser that no damage or lower damages have arisen as a result of the delay.

VI.
Passage of Risk / Shipment

- (1) The place of performance for all deliveries and payments shall be the Purchaser's works.
- (2) The risk shall pass to the buyer upon delivery of the delivery item to the Purchaser's works.
- (3) Shipment shall be notified to the Supplier at the latest on dispatch of the Goods. All shipping documents and delivery notes (in duplicate) must state the order number and order date. In the absence of such information, any delays in processing shall be borne by the Supplier.
- (4) The Supplier is obliged to use only recyclable packaging material.

VII.
Defects

- (1) The statutory provisions shall apply to rights in the event of material and legal defects of the Goods (including wrong and short delivery as well as improper assembly, defective assembly, operating or operating instructions) and in the event of other breaches of duty by the Supplier, unless otherwise provided below.

- (2) In the case of defects, the Purchaser shall be entitled to the statutory claims without restriction. The warranty period is, however, deviating from this 30 months.
- (3) Contrary to Section 442 Para. 1 Sentence 2 BGB (German Civil Code), the Purchaser shall be entitled to claims for defects without restriction even if the defect remained unknown to him at the time of conclusion of the contract due to gross negligence.
- (4) The statutory provisions (Sections 377,381 of the German Commercial Code) shall apply to the commercial obligation to examine and give notice of defects with the following proviso: The obligation to inspect shall be limited to defects which become apparent during the incoming Goods inspection with external examination including the delivery documents (e. g. transport damage, wrong and short delivery) or which are recognisable during the quality control in the random sampling procedure. Insofar as acceptance has been agreed upon, there is no obligation to inspect the Goods. In all other respects, it depends on the extent to which an examination is feasible in the ordinary course of business, taking into account the circumstances of the individual case. The obligation to give notice of defects discovered later remains unaffected. Irrespective of the obligation to inspect the Goods, the complaint (defect notification) shall in any case be deemed to be prompt and timely if it is dispatched within 8 working days from discovery or, in the case of obvious defects, from delivery.
- (5) Subsequent performance shall also include removal of the defective Goods and re-installation, provided that the Goods have been installed in another object according to their intended purpose. The costs incurred by the Supplier for the purpose of inspection and subsequent performance (including any dismantling and installation costs) shall be borne by the Supplier even if it turns out that there was actually no defect. The Purchaser's liability for damages in the event of an unjustified request to remedy defects shall remain unaffected; in this respect, however, the Purchaser shall only be liable if it has recognised or has not recognised through gross negligence that there was no defect.
- (6) If the Supplier fails to comply with his obligation to remedy the defect (remedy) or to deliver a defect-free item (replacement delivery) - at the choice of the Purchaser - within a reasonable period of time set by him, he shall be entitled to remedy the defect himself and demand reimbursement of the necessary expenses or a corresponding advance payment from the Supplier. If the subsequent performance by the Supplier has failed or is unreasonable for the Purchaser (e.g. due to special urgency, endangerment of the operational safety or imminent occurrence of disproportionate damage) no deadline is required; the Purchaser shall inform the seller of such circumstances without delay, if possible in advance.
- (7) The delivered Goods must comply with the relevant accident prevention and environmental protection regulations of the Federal Republic of Germany in all parts including safety and protective devices. The Goods must always comply with the German safety regulations. The relevant DIN standards and DIN regulations apply. The energy equivalent A- weighted continuous sound pressure level according to DIN 45641 resulting from the operation of technical noise generators and complete systems under normal operating conditions must not exceed 80db (A). The measurements must be carried out and evaluated in accordance with DIN 45635 Sheet 1.
- (8) Insofar as certificates of material testing have been agreed, they form an integral part of the delivery



and must be sent to the Purchaser together with the delivery.

- (9) At the request of the Purchaser, the Supplier shall issue quality certificates for the delivered Goods free of charge.

VIII.

Product and producer liability

- (1) The Supplier shall indemnify the Purchaser against claims for damages by third parties in connection with product damage, insofar as the Purchaser is itself liable in the external relationship and the cause has been established within its sphere of control and organisation.
- (2) Within the scope of its indemnification obligation, the Supplier shall reimburse expenses in accordance with Sections 683, 670 BGB (German Civil Code) arising from or in connection with a claim by third parties including any recall actions carried out by the Purchaser. The Purchaser shall inform the Supplier - as far as possible and reasonable - about the content and scope of recall measures and shall give him the opportunity to comment. Further legal claims remain unaffected.
- (3) The Supplier undertakes to maintain liability or product liability insurance with a sum insured of € 5 million per personal injury/property damage. The existence of insurance cover must be proven to the Purchaser on request.

IX.

Intellectual property rights

The Supplier warrants that no rights of third parties will be infringed in connection with his delivery. If claims are asserted against the Purchaser by a third party in this respect, the Supplier shall be obliged to indemnify the Purchaser from these claims upon first written request. The Supplier shall be released from his obligation to pay damages if he proves that he is not at fault.

X.

Code of Conduct / Compliance with Minimum Wage Law

- (1) The Supplier warrants that he observes the United Nations Global Compact's "The Ten Principles" as amended.
- (2) The Supplier guarantees that the wage paid to his employees shall be at least equal to the statutory minimum wage and that he shall comply with all obligations arising from the Minimum Wage Act (MiLoG).
- (3) In the event that the Supplier uses subcontractors to fulfil its contractual obligations towards the Purchaser, the Supplier shall likewise obligate these subcontractors in writing to comply with the provisions of the MiLoG and to check or ensure compliance by means of appropriate measures.



- (4) If claims are asserted against the Purchaser by a third party due to violations of the MiLoG by the Supplier or its subcontractors, the Supplier shall indemnify the Purchaser in full. This exemption obligation also includes administrative and penalties as well as claims by social security institutions and financial authorities.
- (5) If the Supplier or a subcontractor employed by him violates the provisions of the MiLoG, the Purchaser is entitled to terminate the contractual relationship without notice.

XI. Final Provisions

- (1) The law of the Federal Republic of Germany shall apply exclusively. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- (2) The place of jurisdiction is the registered office of the Purchaser. The Purchaser shall be entitled to sue the Supplier at its domicile at its discretion.
- (3) Should one or more provisions of these terms and conditions be or become legally ineffective, this shall not affect the validity of the remaining provisions. The ineffective provision shall be replaced by an effective one that comes closest to the legal and economic will of the contracting parties.