

1. General/scope

- 1.1 These Terms and Conditions of Purchase apply to all transactions between the supplier and **Westag AG**. These Terms and Conditions of Purchase apply exclusively; we will not accept opposing terms and conditions or terms and conditions of the supplier which deviate from our Terms and Conditions of Purchase unless we have expressly consented to them in writing. These Terms and Conditions of Purchase apply even if we accept delivery from the supplier without reservation despite being aware of terms and conditions of the supplier which oppose or deviate from our Terms and Conditions of Purchase.
- 1.2 All agreements concluded between us and the supplier for the purpose of performing a contract must be recorded in writing in the contract.
- 1.3 These Terms and Conditions of Purchase apply exclusively as against entrepreneurs, legal persons under public law or special funds under public law within the meaning of section 310 (1) German Civil Code (*BGB*).
- 1.4 These Terms and Conditions of Purchase also apply to all future transactions with the supplier and especially also in cases where the contract is concluded in electronic form [section 126a German Civil Code (*BGB*)].
- 1.5 Our "Instructions for Installation Work", which are an integral part of our order, apply to workers from third-party companies working on our premises.

2. Order/order documents/confidentiality

- 2.1 Only our written orders or orders which we have confirmed in writing are binding.
- 2.2 The supplier may only accept our orders within any period of commitment stated in the order or alternatively within a period of 10 working days from the date stated in the order by way of written confirmation.
- 2.3 The supplier has a duty to expressly inform us if it accepts our offer to contract but makes changes. In this case a contract will only be concluded with our express written consent, without prejudice to further prerequisites.
- 2.4 We reserve the rights of title, copyrights and property rights in all illustrations, drawings, calculations, data, data carriers, descriptions of performance, specifications and other documents and materials which we provide to the supplier ("Information"). The supplier may not make the Information available to third parties or its own employees not involved in the matter without our express written consent. The Information must be used exclusively to manufacture and/or process our order. Once the business relationship has come to an end, the Information must be returned to us without a special request to this effect.
- 2.5 The supplier has a duty to keep confidential any written or verbal Information received in connection with placing the order, creating the tool and/or manufacturing parts. The duty to observe confidentiality especially refers to data, drawings, specifications, calculations, manufacturing instructions, etc. We will release the supplier from its duty to observe confidentiality if it proves that the Information to be kept confidential was already known to it prior to disclosure by us or if this Information becomes generally known during the term of the contract without this being the result of a breach of contract by the supplier. The release from the duty to observe confidentiality will only become effective when we declare this in writing.

3. Scope of performance, passing the order on, notification duty

- 3.1 The scope of the respective deliveries/services arises from our order. Relevant "product guidelines" which we have at the time when the contract is concluded will become part of the contract. We will provide the supplier with the respective current version of these on request.
- 3.2 The supplier has a duty to expressly indicate any changes which it makes to our order in writing, by highlighting them in bold typeface, in its order confirmation. A contract will only be concluded once we have confirmed the corresponding changes in writing.
- 3.3 Passing on the order to third parties as well involving subcontractors requires our prior written consent.
- 3.4 The supplier must review our enquiry and/or order, especially to ensure that it is plausible, feasible, complete, etc., and notify us of any insufficiencies without undue delay.

4. Prices/terms of payment

- 4.1 The price stated in our order is a binding fixed price. It includes the statutory value added tax if this is not stated separately.
- 4.2 The price includes all shipping and transport services, all other services and ancillary services (e.g. assembly/fitting, installation, commissioning, set-up, trial run and/or induction into use) as well as customs duties and other charges.
- 4.3 Subject to subsection 4.4, we pay invoices after receipt of the goods and receipt of the invoice as follows:

Invoices will be paid within 30 calendar days after receipt by us of both performance and the necessary related invoice or equivalent list of payments to be made. Only after expiry of this period will the supplier's claims to remuneration fall due. If Westag makes payment within 14 calendar days, the supplier will grant it 3 % discount on the net invoice amount. The date on which our transfer order is received by our bank in each case will be the date relevant for determining whether payment deadlines have been met. Any agreed payment periods which deviate from this will not commence on the date of the invoice but on the date of receipt of the invoice. We only recognise invoices on which our order number is stated.

- 4.4 If acceptance or another type of inspection of the supplier's performance has been agreed, we will have 15 calendar days after receipt for this, unless otherwise agreed in the individual case. The payment deadlines pursuant to subsection 4.3 above remain unaffected.
- 4.5 The supplier will only have a right to increase its prices if this is expressly agreed in the contract.
We do not recognise price increase clauses.
- 4.6 In the case of early deliveries, the invoice will be value-dated as of the delivery date stated in the order. Notwithstanding the foregoing, we will be entitled to make an advance payment at our discretion.
- 4.7 If the supplier's invoices do not comply with the requirements pursuant to subsection 7.6, they will not be deemed to be due and proper and will therefore not trigger payment.
- 4.8 Minimum or short quantity surcharges will not be paid.
- 4.9 We will not owe late payment interest. Default with payment will be governed by the statutory provisions. Deviating from this, however, a written reminder by the supplier is always required, with the exception of cases falling under section 286 (3) German Civil Code (*BGB*).

5. Rights of set-off and retention

- 5.1 We will be entitled to all rights of set-off and retention (in particular section 273 German Civil Code (*BGB*)) as well as to the defences of non-performance of the contract, defectiveness (each section 320 German Civil Code (*BGB*)) and uncertainty (section 321 German Civil Code (*BGB*)) to the full extent of the law. We will, in particular, have a right to retain our entire payment for the respective goods for as long as we have a claim under the respective contractual relationship on grounds of incomplete or defective performance, unless section 320 (2) German Civil Code (*BGB*) provides otherwise.
- 5.2 In the case of slight defects and/or defects which can be remedied, we have a right to refuse to pay the entire purchase price in accordance with section 320 (1) German Civil Code (*BGB*) and to refuse to accept the goods in their entirety until the defect has been remedied pursuant to section 273 (1) German Civil Code (*BGB*) (i.e. until defect-free goods have been delivered), unless it is clear from special circumstances that we would be exercising this retention right in a manner in breach of good faith (section 242 German Civil Code (*BGB*)).
- 5.3 The supplier is only entitled (a) to a right of set-off if its counterclaim is either (aa) undisputed by us or (bb) has been finally established by court of law or (cc) where the claim is synallagmatic to our claim against which the supplier is offsetting its claim; (b) to assert a right of retention if its counterclaim is either (aa) undisputed or (bb) has been finally established by court of law or (cc) if the claim is based on the same contractual relationship as our claim against which the supplier is asserting its right of retention.

6. Time of delivery and performance

- 6.1 The time of delivery and/or performance specified in the order is binding and must be observed by the supplier. The delivery date listed there is a FIXED date.
- 6.2 If no time of delivery and/or time of performance is stated in our order and also not otherwise agreed, this will be 2 weeks from conclusion of the contract or the time of the order.
- 6.3 The supplier has a duty to notify us without undue delay in writing if circumstances occur or become known to it which mean that the time of delivery and/or time of performance cannot be observed. The notification setting out the reservations must be sent to us in advance by email as soon as possible.
- 6.4 Early deliveries and/or part-performance (part-deliveries) may be made with our prior written consent. There is no right to consent.
- 6.5 If the supplier does not perform or does not perform within the agreed delivery period or if the supplier defaults, we will be entitled to the statutory rights, particularly the right to rescind the contract and the right to compensation. We will have a right to claim compensation for non-performance after fruitless expiry of a reasonable grace period. In the event of default, we will also have a right to liquidated damages in accordance with the following subsection 6.6. If the day by which performance must be made at the latest is specified in the contract or can be determined on the basis of the contract, the supplier will automatically be deemed to be in default at the end of this day without there being any need to send a reminder; however, the statutory requirement to set a deadline before rescinding the contract or before asserting a claim for compensation instead of performance remains unaffected. The statutory

provisions governing situations in which there is no need for a reminder or to set a deadline (sections 286 (2), 281 (2) and (3), 323 (2) to (4) German Civil Code (*BGB*)) also remain unaffected.

- 6.6 If the supplier is in default, in addition to further-reaching statutory claims, in particular for default, and in addition to performance, we will be entitled to claim a contractual penalty of 1 % of the net delivery value for each week of default commenced, but not more than 5 % in total. This will have no effect on the right to prove that the loss was higher. We do not need to prove a minimum loss.
- 6.7 As far as default of acceptance is concerned, the statutory provisions apply. However, the supplier must also expressly offer us its performance (contrary to section 296 German Civil Code (*BGB*)) if a time is determined on the basis of the calendar for an action to be performed by us (e.g. provision of material) or can be calculated on the basis of the calendar on the basis of an event preceding this action. If we are in default of acceptance, the supplier may claim compensation for its additional expenses in accordance with the statutory provisions (section 304 German Civil Code (*BGB*)). If the contract concerns the manufacturing of non-fungible items (e.g. an individual order) (section 651 sentence 3 German Civil Code (*BGB*)), the supplier will only have further-reaching claims and rights (section 650 sentence 3 in conjunction with section 642, section 643 German Civil Code (*BGB*)) if we have undertaken to provide assistance and we are responsible for having failed to assist.

7. Passage of risk/freight/documents

- 7.1 Unless otherwise agreed in writing, the goods must be delivered free domicile.
- 7.2 The risk of accidental loss and accidental deterioration of the goods to be delivered will only pass to us at the time when they are handed over to us at the place of delivery/site address. This also applies in the case of agreements deviating from subsection 7.1. If and to the extent that acceptance (in the sense of acceptance as the term is used in contracts for work and services) has been agreed, the risk will only pass to us once the goods have been successfully accepted. Section 640 (1), (2) sentence 1 German Civil Code (*BGB*) applies accordingly to this acceptance. The statutory provisions on the transfer of risk on grounds of any delay in acceptance by us (subsection 6.7) remain unaffected in each case.
- 7.3 The supplier must have the risk of accidental loss or accidental deterioration of the ordered raw materials, consumables and supplies insured within the framework of a customary transport insurance policy. It is assigning to us in advance all compensation claims to which it is entitled against the transport insurer and we accept this assignment.
- 7.4 Unless otherwise stated in the order, the supplier bears the costs of packaging as well as the freight costs to the place of destination; in the case of machinery and equipment to the first place of installation. The packaging must be suitable, i.e. it must protect the goods from damage, effects of the weather, etc. The supplier must inform itself about the relevant requirements in this respect. The goods must be handed over to us duty-free.
- 7.5 The supplier must choose the packaging in such a way that forklift transport is possible, stacking can take place and the goods can be forwarded to production in the same packaging.
- 7.6 The supplier must state the following on all order documents and delivery notes: date of issue, planned or actual date of dispatch, content of the delivery, supplier's article number, quantity, our order date, our order number, piece and end prices.

8. Inspection/information/network access

- 8.1 The supplier will allow us to inspect the progress of a work to be created and/or order processing. We are entitled to inform ourselves about the progress at any time by inspecting all relevant documents (reporting, descriptions, listings, manuals, etc.). The documentation needed for this purposes must be provided and explained to us on request.
- 8.2 As soon as there is a justified suspicion that the supplier's products or production process cause environmental pollution exceeding the generally recognised rules of technology, we will be entitled to inspect the manufacturing process and the composition of the supplied raw materials, consumables and supplies as well as the supplier's tools. The supplier must provide us with information in this respect and also with samples of the materials used on our first request.
- 8.3 If the supplier is granted access to our networks and/or data processing systems or those of customers via us, this access may only be used for the purpose of fulfilling the respective individual order. The supplier undertakes, especially in these cases, to observe the provisions on confidentiality pursuant to subsection 2.5 above and to impose these on its employees and on other third parties involved. Unless absolutely necessary for the purpose of fulfilling the order by the supplier, the supplier will not be entitled to copy, modify, reproduce or pass on to third parties any data of ours to which it has access without our prior written consent. We will only be liable to the extent required by statute for the functionality of access security or for operational disruptions of the above-mentioned networks and data processing systems as well as for any damage resulting from their use.

9. Defects in quality and in title/warranty (*Gewährleistung*)

- 9.1 The supplier warrants that the items delivered by it and the services provided by it comply with the intended use, the current state-of-the-art technology as well as the relevant legal provisions, the regulations and guidelines of authorities, trade associations and professional bodies, in particular the safety, occupational health and safety, environmental protection, accident prevention, relevant standards, DIN standards, VDE standards and other regulations. Recommendations of these authorities which become regulations within one year will be taken into account. If deviations from these regulations are necessary in individual cases, the supplier must obtain our written consent. This consent will not affect the supplier's warranty obligations.
- 9.2 The supplier warrants that its products comply with all provisions of Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH Regulation) and Regulation (EC) No 1272/2008 of the European Parliament and of the Council on Classification, Labelling and Packaging of Substances and Mixtures (CLP Regulation). This especially covers registration of the substances in the product and to be registered pursuant to the REACH Regulation, provision of a safety data sheet without special request pursuant to Art. 31 REACH Regulation or the information pursuant to Art. 32 REACH Regulation and the classification, labelling and packaging pursuant to the CLP Regulation.
- 9.3 If in the course of performance of this contractual relationship, disagreements arise between the parties regarding the content of terms or symbols, quality requirements, format requirements or similar, compliance with the respective DIN/EN standards relevant at the time of conclusion of the contract will be deemed to have been agreed as a minimum standard, without prejudice to the provision in subsections 9.1 and 9.2.
- 9.4 If a DIN/EN standard is amended after conclusion of the contract but before completion of the delivery, the supplier will have a duty to take the requirements of the new standard into account to the extent that it can be reasonably expected to do so. It will not be obliged to make substantial changes to the machine, software, etc. if this is only possible by investing a considerable amount of additional time or money. However, it will notify the user in writing in the event of substantial changes in order to enable the user to enter into an amending agreement.
- 9.5 Accepting or confirming models, drawings, payments or similar does not constitute a waiver of rights to complain or warranty rights.
- 9.6 If there are reservations about the type of execution we request, the supplier must notify us in writing without undue delay.
- 9.7 We will notify the supplier without undue delay of any other defects in the delivery as soon as they are discovered in the ordinary course of business. In this respect, the supplier waives the defence of late notification of defects. If there is a quality assurance agreement, the separate provisions on incoming goods inspections in this quality assurance agreement will apply, where appropriate, with regard to the inspection and notification of defect obligations to be satisfied by us.
- 9.8 We will be entitled to the statutory warranty claims in full.
- 9.8.1 The supplier especially warrants, pursuant to sections 433 (1) sentence 2, 434, 435 German Civil Code (*BGB*) (purchase contract) or section 633 (1), (2) and (3) German Civil Code (*BGB*) (contract for work and services) and section 651 German Civil Code (*BGB*) (contract for work and materials), that the goods delivered or the work and services owed comply with the respective purchase or performance sample as well as the statutory and agreed quality and packaging conditions, the performance description and, in the absence of such, comply at least with quality conditions which are at least customary in the trade, and that they are free from material and legal defects within the meaning of the law, especially the German Product Liability Act (*ProdHaftG*). The supplier warrants that the distribution of the delivered goods and/or the use of the contractual service does not violate applicable regulations, including packaging and labelling regulations, that rights of third parties are not infringed and/or that the goods and/or work performance comply with public law and/or competition law requirements. The supplier warrants that existing and/or attached markings regarding characteristics/qualities and/or durability, designations, descriptions, accompanying documents and/or advertising statements and/or instructions for use and assembly are correct in terms of their content, are legally flawless, complete, comprehensible and written in German or, on our request, in corresponding foreign languages.
- 9.8.2 The provisions of subsections 9.7 and 9.8.1 above apply accordingly to services provided by the supplier, in particular to consultancy services. The supplier warrants that processing, production and usage instructions and information which it provides are comprehensive and correct.
- 9.8.3 With regard to any property rights, section 11 below applies in addition.
- 9.9 Insofar as the supplier breaches its duties, it will be liable to us for any kind of fault. The supplier is advised that it has the right to prove that it is not responsible for a breach of duty.
- 9.10 We will only be obliged to clarify claims or infringements of rights asserted by our customers in court if the supplier agrees in advance to reimburse the costs to be expected for this.
- 9.11 If the contractual performance rendered by the supplier (delivered goods, work performance provided, service rendered, etc.) is defective, we will be entitled to request, at our discretion, subsequent fulfilment by way of remedy

of the defect or delivery of an item free of defects (purchase contract) or remedy of the defect or that the work be manufactured again (contract for work and services). If defective goods have been installed in or attached to another item in accordance with their nature and intended use, subsequent fulfilment will also include, at our discretion, (a) removing the defective goods and installing or attaching the improved or newly delivered goods which are free of defects or (b) paying our expenses incurred for this. This will not affect any further-reaching claims.

- 9.12 If the supplier does not satisfy its obligation to provide subsequent fulfilment by a reasonable deadline set by us, we may remedy the defect ourselves or have it remedied and request from the supplier in each case reimbursement of the expenses necessary for this purpose or a corresponding advance payment. If subsequent fulfilment by the supplier has failed or is unreasonable for us (e.g. owing to a particular level of urgency, risk to operational safety or impending disproportionately high losses), it will not be necessary to set a (where applicable, new) deadline; we will inform the supplier of the circumstances governing the unreasonableness without undue delay, if possible before we remedy the defect ourselves.
- 9.13 We may require the supplier to provide subsequent fulfilment at the location of the goods if this location is (a) specifically provided for in the contract or (b) typical for the contract and was foreseeable for the supplier, whether specifically or abstractly (i.e. without knowledge of a place name, of a geographical location or of our customer), at the time when the contract was concluded.
- 9.14 The costs incurred for examining the defect and subsequent fulfilment by the supplier, including any costs for removal and installation, will also be borne by the supplier even if it transpires that there was not actually a defect. However, we will be liable for compensation for our illegitimate requests for the remedy of defects if we had recognised or failed with gross negligence to recognise that there was in fact no defect.
- 9.15 The supplier bears the procurement risk for its services, unless otherwise expressly agreed (e.g. limitation of the duty to perform to certain stock). We do not acknowledge and hereby object to any clauses limiting the supplier's warranty or liability.
- 9.16 The warranty period is 60 months for items which have been used for a building in accordance with their customary use and have caused the building to be defective, and otherwise 36 months, calculated from the date of delivery, unless a longer warranty period results from the contract or statute. If the supplier provides part-performance, delivery will only be deemed to have taken place upon completion of the last component of the part-performance. If the supplier owes further services in addition to the delivery such as, in particular, construction or a similar service (e.g. assembly, fitting, installation, commissioning, set-up, adjustment, trial run and/or induction into use), final delivery will only be deemed to have taken place on completion of these further services. If the parties have agreed an acceptance procedure, the limitation period will commence on acceptance.
- Claims based on legal defects will not be statute-barred as long as the third party (i.e. the owner of the claim or right giving rise to the defect) can assert this claim or this right against us, in particular because the matter is not statute-barred.
- 9.17 For quantities, weights, wood moisture content and other definitions for a delivery, the values determined by our incoming goods inspection are decisive and form the basis for invoicing.
- 9.18 An agreed, specified and/or delivered technical design and quality of a supplied part may not be changed without our written consent.
- 9.19 The supplier will mark the delivered items in such a way that they are permanently recognisable as its products.
- 9.20 The supplier must establish and maintain a state-of-the-art quality assurance system, suitable in terms of its type and scope, and provide us with evidence of this on request. On request it must conclude a corresponding quality assurance agreement with us.

10. Product liability/indemnity/liability insurance

- 10.1 If a claim is asserted against us by a third party owing to a physical injury or property damage as a result of product liability and/or manufacturer's liability and if this damage can be attributed to a defective product delivered by the supplier, the supplier must indemnify us, insofar as the supplier itself is liable in terms of the relationship with the third party, against such claim. The supplier must satisfy this indemnification obligation on our first request.
- 10.2 If we have a duty to issue a product warning or recall a product of the supplier because it is defective and constitutes a risk for persons and/or property, the supplier must also bear all costs of the product warning or product recall as part of its indemnification obligation arising from subsection 10.1. Further-reaching statutory claims on our part and the supplier's own statutory product warning and recall obligations remain unaffected. We will inform the supplier of forthcoming product warning and recall measures without undue delay, where it is possible and reasonable for us to do so, and give the supplier an opportunity to comment.
- 10.3 If the supplier has indications that its goods unexpectedly pose a risk to persons and/or property, it must immediately inform us in writing of the cause, type and extent of the risk. This especially applies in the case of product defects. Statutory duties to provide notifications and warnings remain unaffected.

10.4 The supplier has a duty to maintain at its own expense a product liability insurance policy at the customary market conditions with a cover amount of at least EUR 5 million per physical injury or instance of property damage. This insurance policy does not need to cover the risk of recall or punitive or similar losses unless we have agreed otherwise with the supplier. The supplier will provide us with proof that the insurance policy exists and its scope on our request at any time by providing us with confirmation of insurance and/or a copy of the insurance contract (the policy).

11. Property rights/minimum standards/UN Convention on the Rights of the Child/minimum wage

11.1 The supplier warrants that no rights of third parties are infringed in connection with its delivery and performance. The supplier warrants that the work it creates is free of any rights of third parties. If the work infringes industrial property rights of third parties and if we are therefore prohibited from using the work in whole or in part, the supplier will, at its discretion, either procure for us the right of use and/or exploit the work or create the work free of industrial property rights. Any further-reaching claims we may have will not be affected by this.

11.2 If claims are filed against us by a third party owing to an infringement of rights of third parties pursuant to subsection 11.1, the supplier will have a duty to indemnify us against such claims on our first written request. The supplier's indemnification duty relates to all expenses arising of necessity for us from or in connection with the third-party claim.

11.3 The supplier warrants that relevant statutory and/or official provisions will be observed. The proper declaration of customs duties, taxes and/or other export duties, the proper issuing and the submission of documents/certificates, such as test certificates, certificates of origin, export or import licences, fall within the scope of activity and responsibility of the supplier. The supplier warrants that the attached documents are authentic and correct.

11.4 The supplier warrants that during manufacturing as well as during export and import of the goods to be delivered to us, measures are avoided which could result in an impairment of or risk to our trade marks and/or our reputation. The supplier will especially observe our industrial property rights and ensure that no infringement of these rights occurs within its sphere of influence and also in relation to its suppliers.

11.5 The supplier warrants that the goods to be delivered to us have been manufactured in compliance with the minimum standards of the UN Convention on the Rights of the Child of 20 November 1989 (published on 10 July 1992 – Federal Law Gazette II p. 990). Further-reaching social standards owed by the supplier and subsection 12 remain unaffected by this.

11.6 The supplier will be responsible, in the sense of a primary obligation, for ensuring that it and/or third parties commissioned by it comply with the duty to pay a statutory minimum wage. In particular, it will indemnify us against all financial losses resulting from a failure to comply with the above duty.

11.7 The limitation period for claims pursuant to clause 11.1 to clause 11.5 above is governed by the statutory provisions.

12. Human rights and environmental standards

12.1 The supplier must comply with internationally recognised human rights and environmental standards when manufacturing the products to be delivered or produced and when providing services, especially work and assembly services. It must especially ensure that the duties of care arising from the German Supply Chain Due Diligence Act (*LkSG*) (or, prior to its entry into force, from the wording of the law correspondingly adopted and promulgated) are complied with.

12.2 The supplier will endeavour to ensure that its subcontractors also comply with the internationally recognised human rights and environmental standards. A subcontractor in the sense of sentence 1 means anyone whose activity is necessary for our products to be produced or for our services to be provided or used, irrespective of whether or not they have a contractual relationship with the supplier.

12.3 We have a right to verify at our own expense by our own employees or third parties by means of an audit on site and/or other suitable measures once a year, and any time there is sufficient reason for us to do so, whether the subcontractor is complying with the obligations arising from subsection 12.1. The supplier must provide reasonable access to the relevant areas and documents. Unless otherwise agreed, the inspection may only take place during the supplier's business hours and may not interfere with the supplier's business operations. Sufficient reason within the meaning of sentence 1 means cases where we are required to assume that the risk situation at the supplier has changed or increased significantly.

12.4 If the supplier becomes aware of non-compliance with the standards referred to in subsection 12.1, the supplier will inform us in writing without undue delay as soon as it has gained awareness of such non-compliance. For this case, we reserve the right to rescind the contract with immediate effect. This will not lead to a right of recourse on the part of the supplier. The supplier will also notify us without undue delay of any suspicious conduct on the part of its subcontractors in accordance with clause 12.2 as soon as it becomes aware of such conduct.

13. Anti-corruption clause/right of termination

- 13.1 The supplier undertakes, in the sense of a primary contractual obligation, to take all necessary and reasonable anti-corruption measures. In particular, the supplier undertakes not to offer, promise and/or grant any benefits and/or other advantages (such as money, gifts of monetary value or invitations not predominantly of a business nature, e.g. to sporting events, concerts, cultural events) to our employees and/or members of bodies and/or employees and/or members of bodies of the affiliated purchasing companies, including their relatives, nor to allow them to be offered, promised or granted in any other way by third parties. Product samples provided in the ordinary course of business for inspection or quality testing are not covered by this provision.
- 13.2 In the event of a breach by the supplier of the obligations arising from subsection 13.1 above, we will be entitled to rescind or terminate the contractual relationship for good cause without observing a notice period after a period set for remedial action has fruitlessly expired or after a warning has proved unsuccessful. A warning is not necessary in the cases provided for by section 323 (2) German Civil Code (*BGB*). Our right to claim compensation will not be excluded by rescission or termination.

14. Items provided by us

- 14.1 If we provide parts and/or materials to the supplier, the supplier will have a duty to check the provided parts and/or materials as to their suitability, to handle them properly and to store them temporarily. The supplier will store provided parts and/or materials for us free of charge. It must mark them as our property, handle them with care and insure them at its own cost against fire and water damage, theft and other loss or damage at their new replacement value. If maintenance, servicing, inspection or similar work is required on parts and/or materials provided during the storage period (this does not include replacing or repairing defective parts and/or materials provided by us), the supplier must carry this work out, or have it carried out, in good time and in a professional manner, unless otherwise agreed in the individual case. Costs resulting from improper handling by the supplier, its bodies, employees or vicarious agents will be borne solely by the supplier.
- 14.2 If the supplier takes receipt of the provided parts and/or materials at our factory, the responsibility for damage and loss will pass to the supplier regardless of whether the parts and/or materials are provided by us free of charge or delivered in return for payment.
- 14.3 Unless expressly agreed otherwise, parts and/or materials provided by us will be invoiced to the supplier at factory sales prices.
- 14.4 The parts and/or materials provided by us may only be used by the supplier for the agreed purpose. The supplier will inform us without undue delay if provided parts and/or materials are lost or damaged. It already owes repair or replacement as part of its duty of subsequent fulfilment, not only as part of its duty to pay compensation. It must surrender any provided items to us at any time on request; there will be no rights of retention. We will bear the risk of the above request frustrating delivery periods or quantities.
- 14.5 We reserve title in any parts or materials which we make available to the supplier. Processing or re-working by the supplier will always be carried out on our behalf. If our reserved goods are processed together with other items which do not belong to us, we will acquire joint title to the new item in the ratio of the value of our item (purchase price plus VAT) to that of the other processed items at the time of the processing. The supplier is assigning to us now in advance free of charge its future title or its joint title, on the basis of the aforementioned ratio, to the new item for the event that we do not acquire title or joint title for whatever reason. We accept this assignment.
- 14.6 If the item provided by us is inseparably intermixed with other items which do not belong to us, we will acquire joint title to the new item on the basis of the ratio of the value of the reserved goods to the other intermixed items at the time of intermixing. If the item provided by us must be regarded as the main item, we will directly acquire sole title (section 947 (2) German Civil Code (*BGB*)). If one of the other items has to be regarded as the main item, for the event that the main item belongs to the supplier, the supplier is assigning to us now in advance sole title to the uniform item on the basis of the ratio specified above. We accept this assignment.
- 14.7 If our security interests pursuant to subsection 14.5 and/or 14.6 exceed the cost price for all of our goods which have not yet been paid for by more than 10 %, at the supplier's request we will release the security interests at our discretion.
- 14.8 Any tools provided by us will remain our property. If the tools are manufactured by the supplier itself or by third parties in accordance with our specifications, title to the tools will pass to us at the latest when manufacturing is complete and they are delivered/handed over to the supplier, subject to a simple reservation of title, where agreed. The supplier will keep the tools to which we have title in safe custody for us.

15. Supplier's reservation of title

- 15.1 Title to the goods will pass to us unconditionally and regardless of whether or not we have paid the purchase price, subject to the provisions in the following subsections.
- 15.2 If, in individual cases and notwithstanding subsection 15.1, we accept an offer by the supplier of transfer of title (reservation of title) subject to payment of the purchase price by us or if a reservation of title by the supplier arises

in another manner (e.g. by virtue of an express agreement with us or by virtue of mandatory law), this respective reservation of title will expire when we have paid the purchase price for the goods delivered in full in each case at the latest.

15.3 If there is a reservation of title in accordance with subsection 15.2, in the ordinary course of business before payment of the purchase price we will have a right

(a) to resell the goods subject to advance assignment, which we hereby declare, to the supplier of our purchase price claim arising from the respective resale (extended reservation of title). All other forms of reservation of title, especially extended and forwarded reservation of title and reservation of title extended to further processing, are excluded.

(b) to process, transform, combine, intermix and mingle goods. This will always be for ourselves as manufacturer in our own name and for our own account. Title will therefore pass to us in accordance with the respective statutory provisions (if title has not already passed to us as a result of payment of the purchase price).

15.4 Any (joint) title which has already passed to us remains unaffected.

16. Right of rescission/right of termination where payments are suspended

We will have a special right to rescind or terminate the contract in the following cases: (a) The supplier stops making payments to its creditors; (b) the supplier itself applies for insolvency proceedings to be opened over its assets; (c) we file or a third party permissibly files such an application; (d) provisional or final insolvency proceedings are opened; or (e) such an application is refused owing to lack of assets.

17. **Additional terms and conditions for software** To the extent that our order is completely or partly for the delivery, creation and/or licensing of software, our "Supplementary Terms and Conditions for Software" will also apply, as amended. We will send these Supplementary Terms and Conditions for Software to the supplier on request.

18. Jurisdiction/place of performance

18.1 If the supplier is a merchant, a legal entity under public law or a special public fund under public law or has no general place of jurisdiction in the Federal Republic of Germany, the exclusive place of jurisdiction, including internationally, for all disputes arising directly or indirectly from these Terms and Conditions of Purchase or the contractual relationship between us and the supplier or in connection with this relationship will be the place of our registered office. However, we also have a right to bring a claim against the supplier at its general place of jurisdiction.

18.2 Unless otherwise agreed, the place of performance for all deliveries and services is the place of our registered office.

19. Choice of law

German law applies excluding the UN Convention on Contracts for the International Sale of Goods (CISG) and international uniform law, but always in accordance with the content of these Terms and Conditions of Purchase. Any claims of a non-contractual nature in connection with these Terms and Conditions of Purchase or the contractual relationship are governed exclusively by the law of the Federal Republic of Germany.

20. Severability

20.1 If all or some contractual provisions, including these Terms and Conditions of Purchase, have not become an integral part of the contract, or are void, invalid or unenforceable, this will not affect the validity of the other provisions.

20.2 If provisions of these Terms and Conditions of Purchase have not become an integral part of the contract, or are void or invalid, the content of the contract will be based on the statutory provisions (section 306 (2) German Civil Code (*BGB*)). However, if there are no suitable statutory provisions for this purpose, the parties will agree, subject to the possibility and priority of supplementary interpretation of the contract, on valid provisions which come as close as possible in economic terms and in terms of their meaning and purpose to the provisions which have not become part of the contract, or those which are void or invalid. The legal consequence of sentence 2 applies accordingly to contractual provisions which prove to be unenforceable.

20.3 If the contract, including these Terms and Conditions of Purchase, proves to be incomplete for reasons other than those mentioned in subsection 20.1 (in particular due to the absence of provisions, e.g. if points that need to be regulated have been overlooked), the parties will agree, subject to the possibility and priority of supplementary interpretation of the contract, on valid provisions which come as close as possible to the economic objectives of the contract.

Date, legally valid signature/stamp