

**GENERAL TERMS AND CONDITIONS
OF PURCHASE
of the Winkelmann Group
Status March 2022**

Art.1 General scope of application, validity of other terms and conditions

1. These General Terms and Conditions of Purchase apply to all companies of the Winkelmann group of companies (Winkelmann Group). These are currently:

- Winkelmann Group GmbH & Co. KG, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Winkelmann Powertrain Components GmbH & Co. KG, Schmalbachstr. 2, 59227 Ahlen
- Winkelmann Motortechnik Beteiligungsgesellschaft mbH, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Winkelmann MSR Technology GmbH & Co. KG, Gersteinstr. 11-15, 59227 Ahlen
- Winkelmann MSR Technology Beteiligungs GmbH, Gersteinstr. 15, 59227 Ahlen
- Winkelmann Water Storage GmbH, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Winkelmann Flat Vessels GmbH & Co. KG, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Winkelmann Flat Vessels Beteiligungs GmbH, Gersteinstr. 11, 59227 Ahlen
- Winkelmann Metal Solutions, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Winkelmann Beteiligungs- und Verwaltungs GmbH, Schmalbachstr. 2, 59227 Ahlen
- Winkelmann Land und Forst GmbH & Co. KG, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
- Reflex Winkelmann GmbH, Gersteinstr. 19, 59227 Ahlen
- Reflex Winkelmann Beteiligungs GmbH, Gersteinstr. 19, 59227 Ahlen
- Reflex Polska Sp.z.o.o., ul. Mikolaja z Rynska 36-40, PL 87-200 Wabrzezno
- Reflex Polska sp. z o.o. sp. k.40, Mikolaja z Ryńska 36, 87-200 Wabrzezno, Polen
- Reflex CZ, s.r.o., Sezemická 27/52/2, CZ 139 00 Prague 9
- Reflex SK. s.r.o., Rakovo, SK 038 42 Pribovce
- Reflex Austria GmbH, Hirschstettner Strasse 19-21, BT.I/IS301, A 1220 Vienna
- Reflex Nederland B.V., Kerkstraat 2a, NL 2971 AL Bleskensgraaf CA
- Reflex Schweiz GmbH, Hohenrainstrasse 10, CH 4133 Pratteln
- Reflex Hellas A.E., Vouliagmenis Av. 165, GR 17237 Dafni
- Reflex (Shanghai) Heating & Energy Equipment Co. Ltd., Ding Xi Road, 200052 Shanghai
- Winkelmann Sp.z.o.o., ul. Jaworzynska 277, PL 59-220 Legnica
- Winkelmann Powertrain Components Langfang Co. Ltd., B07-1, Acuto Industry Parc, No. 58 of Lotus Road, Langfang Economic and Technical Development Zone, 065001 Langfang City, Hebei Province
- Winkelmann Otomotiv Parcalari Ltd., Avrupa Serbest Bölgesi 110Ada, 59860 Corlu Tekirdag
- Winkelmann Beteiligungs GmbH Stahl-Behälter-Technik, Gersteinstr. 11, 59227 Ahlen
- Winkelmann Renewables International GmbH, Heinrich-Winkelmann-Platz 1, 59227 Ahlen
nema

- Winkelmann Isitma Ve. Su. Teknolojileri San. Ve. Tic. Sti., Yakabaşı Mah. Kocaalan Mevki, Gümüşova, Düzce
- Reflex Moskau OOO, Prospekt Andropova 18, bld. 6, office 507, 115432 Moscow
- Winkelmann Powertrain Mexico S. de R.L. de C.V. Av. Villa de Lagos Norte 1140, Colinas de Lagos, Lagos de Moreno, Jalisco 47515, Mexico
- Winkelmann Powertrain Mexico S. de R.L. de C.V. Av. Villa de Lagos Norte 1140, Colinas de Lagos, Lagos de Moreno, Jalisco 47515, Mexico

The respective commissioning company of the Winkelmann Group is hereinafter referred to as “**we**”.

2. Our General Terms and Conditions of Purchase (General T&Cs of Purchase) apply exclusively. We do not recognise general terms and conditions of the supplier resp. contracting partner, which are contrary to or differ from our Terms and Conditions of Purchase, in particular in the form of general terms and conditions of delivery and sale, unless we have expressly approved their validity; otherwise they shall be rejected. Our Terms and Conditions of Purchase shall also apply exclusively if we accept the supplier's delivery and/or service without reservation in the knowledge of terms and conditions of the supplier which are contrary to or differ from our Terms and Conditions of Purchase.
3. Upon the supplier's delivery or service for the first time based on these Terms and Conditions of Purchase, these Terms and Conditions of Purchase shall also apply to all further deliveries of the supplier to us.
4. If framework contracts or individual contacts are concluded between ourselves and the supplier, these shall take precedence over the Terms and Conditions of Purchase. Unless more specific provisions are made therein, they shall be supplemented by these Terms and Conditions of Purchase.
5. All agreements reached between ourselves and the supplier for the execution of the contract must be set down in writing or text form in the contract. Section 305b *BGB* [German Civil Code] (*precedence of the individual agreement*) remains unaffected for individual agreements of whatever form.
6. Our Terms and Conditions of Purchase apply *exclusively* to companies pursuant to Section 14 *BGB* i.e. to such natural persons or legal entities or partnerships having legal capacity which are performing their commercial or independent professional activities when concluding the contract.
7. In addition, our quality assurance and environmental conditions as well as safety regulations for contractors apply which are available for download as printable version on our website at www.winkelmann-group.de.

Art. 2 Data, illustrations, formulas, drawings, calculations provided

1. We reserve exclusive property rights and copyrights to illustrations, formulas, formulations/manufacturing instructions or instructions for use, drawings, calculations and other documents and data provided by us. They may not be made accessible by the supplier to third parties without our express consent. Furthermore, they are to be used *exclusively* for processing our purchase order resp. for executing the contractual relationship entered into with us and are to be returned to us free of charge, including all copies, without being asked to do so, after processing of the purchase order and, in the case of continuous obligations, when they end, or destroyed at our request. They must be kept secret by the supplier vis-à-vis third parties unless there is an official or legal obligation of disclosure for them. If these illustrations, formulas, drawings, calculations and other documents are contained in data, these must be deleted completely by overwriting at any time at our request, and their deletion confirmed to us by the supplier in writing or text form immediately.
2. Products, produced by the supplier or its vicarious agents, according to documents and/or formulations and/or data (e.g. drawings, samples or models and the like) created by us and/or our vicarious agents or according to information from them, identified or designated as confidential, or with characteristics and/or properties of a product not in the public domain or their tools or reproduced tools may neither be used by the supplier itself nor for the benefit of third parties outside our order nor offered or supplied to third parties. The supplier shall agree that the vicarious agents it uses shall be bound by this as well and as third-party beneficiary contract for our benefit and shall prove this to us at our first request.

Art. 3 Supplier's quotations / Performance by the supplier strictly itself

1. The supplier's quotations shall be given in writing or text form. They are not binding and free of charge for us.
2. The supplier's quotations must describe the delivery item/service in full and include a full list of all additional products and/or services, required for our safe and economically efficient use of the delivery item/service, and specify their price in the supplier's quotation.
3. Goods or parts of goods and/or services or parts of services, which are not listed in the supplier's quotation but which are indispensable for the safe operation according to the intended purpose or relevant use of the goods and/or service in accordance with the agreed properties, shall, unless otherwise agreed, be deemed an integral part of the delivery item and/or service and as owed by the supplier together with the delivery item and/or service.
4. The supplier must indicate expressly in writing or highlighted in text form risks and environmental hazards or the potential infringement of third-party rights connected with the supplied goods or provision of the agreed service and any necessity for special handling of the goods (especially in relation to storage) with its quotation and, in the case of new findings by the supplier after making the quotation, immediately after becoming aware of them.
5. Unless otherwise agreed, the performance owed shall be performed by the supplier "strictly itself" i.e. in the case of legal entities exclusively with own employees.

Art. 4 Declaration of acceptance, conclusion of contracts, order processing

1. In order to enable our orderly controlling of the contract, only purchase orders in writing and text form provided with our sender identification shall be valid on our part.

Amendments to and modifications of our purchase order shall only be valid when given in writing or text form. This shall also apply to the waiver of the written form requirement itself, whereby the precedence of the individual agreement pursuant

to Section 305b *BGB* for individual agreements of any form remains unaffected. Our silence regarding the supplier's quotations, requests or other declarations shall only be deemed to be our consent if this was expressly agreed. The order shall be determined exclusively by the content of the purchase order.

2. The supplier is obliged to specify our purchase order number and/or the ordering party exactly on all shipping documents and delivery notes. If the supplier fails to do so, we shall not be responsible for delays in processing and payment.
3. The supplier must confirm the purchase order in writing or text form within 5 working days (at its registered office) after receipt of the purchase order, in the case of a purchase order placed by us on an electronic ordering platform of the supplier within 3 working days at the supplier's registered office, whereby timeliness shall be determined by our receipt of the confirmation. After expiry of this period, we shall have the right, unless otherwise agreed, as legal consequence in the absence of other agreement to revoke our purchase order. Claims by the supplier, based on a valid revocation for this reason, shall be excluded.
4. In the case of recurring purchase orders on our part, in particular call-offs for delivery, the supplier shall be obliged to confirm the purchase order to us in writing or text form within 5 working days (at its registered office) of receipt of the purchase order (in the case of a purchase order by us on an electronic ordering platform of the supplier, within 3 working days at the supplier's registered office), whereby receipt of the confirmation by us shall determine compliance with the time limit. After this time limit expires, we shall have the right as legal consequence in the absence of other agreement to revoke our purchase order. Claims by the supplier, based on a valid revocation for this reason, shall be excluded.
5. *In ongoing business relations between ourselves and the supplier, our call-offs for delivery can be adjusted in respect of the timing of our customer's call-offs for delivery, if this is reasonable for the supplier from a logistical point of view, we inform the supplier of this immediately following notice of our customer's call-off for delivery and a reasonable time limit for supply remains and we compensate for economic burdens of the supplier connected herewith. Paragraph 4 shall apply mutatis mutandis to the supplier's possibility of objection.*
6. We request the supplier to submit a single copy of the order confirmation. The supplier shall be obliged to specify our purchase order number and/or the ordering party exactly on the order confirmation, on all shipping documents and delivery notes. If the supplier fails to do so, we shall not be responsible for delays in processing as a result of this.
7. As regards quantities, weights, dimensions and delivered quantities, values determined by authorities, or in the absence of such, values determined by us after receipt of the goods shall prevail unless otherwise agreed and subject to other proof. For all shipments, weights must be stated on the shipping documents accompanying the goods if this is customary in the trade or has been agreed with us, or the remuneration is calculated according to weight.
8. If our purchase order or the documents or data on which this is based contain mistakes, errors, typing and calculation mistakes, which are obvious or recognised by the supplier, we shall not be bound in this respect. On the contrary, in such cases, the supplier shall be obliged to notify us immediately in writing or text form of the relevant mistakes to allow us to correct and replace our purchase order. If documents which are recognisably required have not been sent with the purchase order, this obligation shall apply accordingly.

The supplier shall also inform us and point out in writing or text form with the order confirmation if the delivery items are dual-use goods, items, technologies and knowledge, which are used as a rule for civil purposes but can also be used for military purposes and fall within the scope of the EU Dual-Use

Regulation. If the supplier culpably fails to do so, the supplier shall indemnify us against all claims of third parties and damages arising therefrom.

9. The supplier declares that it is willing at our request to grant authorities and employers' liability insurance associations, which are responsible for quality management and environmental management, the prevention of hazards to health or the approval of our products, the safety of production and social security matters at our registered office, at the place of delivery and/or service and/or at the supplier's registered office, access to its production sites, and to provide us with every support, which is technically, economically or logistically reasonable for the supplier, in this connection, if authorities inspect because of a product or substance supplied to us by the supplier and/or a service provided to us by the supplier or approach us because of supposed statutory violations by such products and/or service, on which the supplier has cooperated by making a delivery or providing sub-contractor services or has thereby enabled the production or our service. We likewise undertake vice versa to act accordingly for the benefit of the supplier.
10. If the supplier accepts our purchase order only with deviations, the supplier must identify these deviations by *clearly* highlighting them in its order confirmation.
11. The supplier shall furthermore inform us in writing or text form of changes to contract terms and conditions or purchase order details and/or purchase order terms and conditions.

The supplier shall notify us of any amendments/extensions of the scope of the contract, the necessity of which becomes evident only when the contract is executed, immediately in writing or text form. Amendments/Extensions shall only have legal effect when we have given our written consent. The precedence of the individual agreement pursuant to Section 305 b BGB in any form remains unaffected. The supplier is not authorised to change the products or the processes underlying the products, designs and materials or to accept corresponding changes by its sub-suppliers, without previously obtaining our written approval. New costs incurred for the validation of products by us or our customers due to changes by the supplier (except in the case of required changes) shall be borne, in the absence of other express agreement with us, by the supplier. In such case, we shall determine the appropriate amount of the validation costs jointly with the supplier.

12. Unless otherwise agreed, the supplier shall be obliged, when assembly, repair or construction services are commissioned, to inform itself sufficiently before providing the service about the nature of the execution and scope of the service by inspecting the plans available at our company and about the local conditions relevant to the service to be provided by carrying out a visual inspection of the construction site and/or assembly site resp. the site of other services to be provided by the supplier at the place of performance.
13. The supplier must specify to us fully and request from us in writing or text form documents to be provided by us in due time before providing the service. The same shall apply to other cooperation on our part.
14. If the supplier must provide us with specimens of materials, test reports, quality documents or other documents according to the terms of the contract or as accessory obligation, the completeness of the delivery and/or service shall also require that such specimens, reports and documents are provided in full in German.
15. If waste is produced within the scope of the supplier's fulfilment of the contract, the supplier shall, unless otherwise agreed, remove and dispose of such waste itself at its expense according to the relevant waste legislation. Ownership, risk and responsibility according to waste legislation shall pass to the supplier at the time the waste arises.

16. We shall have the right in the alternative circumstances set forth below to rescind the contract and, in the case of a continuing obligation concluded with the supplier, to exercise extraordinary termination of the contract without notice if
 - (i) the supplier, in the case of a quoted price offered by the supplier with the possibility of a unilateral price increase, for its part increases the price for the goods sold or to be provided by the supplier; and/or
 - (ii) the supplier files a petition in insolvency or suspends its payments or a petition for institution of insolvency proceedings against the supplier's assets is dismissed for lack of assets, where, in the above-mentioned cases, the supplier culpably violates an obligation arising from the contract concluded with us at the time of rescission or we cannot be expected to adhere to the contract.

In the above-mentioned cases, the supplier shall not be entitled to any claims against us, in particular for damages or reimbursement of expenses because of our rescission or our termination.

Art. 5 Prices, payment, invoice, assignment, set-off, retention, packaging, waste disposal, open book policy

1. Unless otherwise expressly agreed, prices agreed are fixed prices and, unless otherwise agreed in writing, include all costs for packaging, transport to the agreed receiving resp. shipment office (delivery DAP - Incoterms® 2010), and for customs formalities and customs. Unless otherwise expressly agreed, the place of delivery shall be deemed our registered office. If we, by way of derogation from sentence 1, have to bear the freight and/or shipping charges, the supplier shall select the lowest priced mode of transportation unless a special method of shipment is specified by us. If a consignment has to be shipped using a less favourable, because more expensive, mode of transportation for us (e.g. express rather than freight) as a result of culpable non-compliance with the delivery date, the supplier shall bear the corresponding additional costs incurred.

Where orders are subject to the supplier's price reservation, we shall have the right to rescind the contract and, in the case of continuing obligations, to termination without notice if the price specified in the confirmation does not meet with our approval.

If no prices are specified, the supplier's list prices applicable at the time of the purchase order shall apply.

2. Unless otherwise agreed with the supplier, all payments shall be made by bank transfer in EUR after complete and faultless delivery of the goods and provision of documentation. If customer bills of exchange or promissory notes are given in payment, we shall bear the tax on bills of exchange and the bill discount in the amount to be agreed.
3. *Prices include the applicable value added tax unless the price was expressly designated and agreed as net price.*
4. Please understand that we can process invoices only if they state the purchase order number and/or the ordering party given on the purchase order, according to the specifications in our purchase order, and can be verified and state the VAT ID. If such information is not stated, we shall not be responsible for delays in processing and payment. Invoices are to be sent to us as a single copy when the goods are shipped but separately from them.

The supplier shall compensate us for damages and expenses incurred by our customers as a result of the supplier's take-over and/or further processing of goods with an incorrect purchase order number culpably provided by the supplier or missing purchase order number.

5. Unless otherwise agreed in writing, we shall pay invoices received by us after receipt of the goods and invoice on the 25th of the following month with a cash discount of 3 %. Cash

discounts shall also be admissible if we exercise a right of set-off.

6. Payments by us shall not constitute acceptance or waiver of any rights arising from defects and do not constitute any acknowledgement whatsoever of performance according to the contract.
7. If early delivery and/or service is accepted, the due date of payment shall correspond, unless otherwise agreed, to the delivery date originally agreed.
8. In the event of incomplete or incorrect delivery and/or service, we shall have the right to withhold payment in whole or in proportion to the value in the relation between the proportionate delivery/service free of defects and the defective delivery/service until proper performance.
9. Invoices, to be issued by the supplier, shall be sent, after fulfilment of the contract, separately according to the respective purchase order by email to the invoice address stated on the purchase order and, if this is not technically possible, by post. All accounting records must be attached in full. Invoices for partial services must be marked "advance invoice", "invoice for partial service", "final invoices". Electronic invoices shall only be deemed properly issued if we have expressly agreed them with the supplier.
10. If advance payments have been agreed, they shall be due only when the supplier has provided us with a directly enforceable guarantee issued by a German credit institution or savings bank or another credit institution rated "A" by Standard & Poors with registered office in the Federal Republic of Germany participating in the Deposit Protection Fund to secure the advance payment.
11. The supplier shall have rights of retention and set-off against claims by us only for those claims which have been recognised by us or recognised by declaratory judgment. Set-off shall also be admissible if the counterclaim for set-off is in the synallagma (i.e. in the relationship of reciprocity between two performances in the contract concluded with us) with our claim.

We have the right to set off claims also against claims of companies of the Winkelmann group of companies.

12. The assignment of claims against us by the supplier shall require our prior consent unless these are pecuniary claims in the course of trade (Section 354a HGB [German Commercial Code]).
13. The supplier shall pack the items/substances to be supplied only in environment-friendly packaging material resp. environment-friendly containers so as to ensure that damage during transport and/or storage are prevented in the case of handling customary in the trade. This shall be carried out in compliance with the regulations on packaging and conservation and the specifications on the packaging data sheet. The agreed packaging units must be complied with. The supplier shall supply the products in suitable and, if agreed, only by means of transportation approved by us in order to prevent damages and reductions in quality (e.g. contamination, corrosion, chemical reactions).

Packaging of the respective delivery items is included in the price unless otherwise expressly agreed by us with the supplier. The supplier shall dispose of waste generated during the supplier's delivery or assembly immediately free of charge.
14. If, by way of exception, we and the supplier have reached other agreements, the supplier shall charge for packaging at cost price. In such case, the supplier shall select the packaging specified by us and shall request us to make the selection to that effect in due time in text form. If this packaging selected by us is not suitable to package the

delivery item safely and adequately, the supplier shall notify us of this immediately in writing or text form.

15. If the packaging used to ship the goods is invoiced separately on the basis of an agreement, we shall be free to make the packaging available again in a serviceable condition, carriage paid, against a credit of at least 2/3 of the calculated net price for this, unless we have expressly agreed otherwise with the supplier. The supplier shall be free to prove that the value of the returned packaging is substantially lower (at least 10 % lower). In this case, the refund shall be adjusted accordingly.
16. In the case of paragraph 14 above, we shall have the right to send the packaging to the supplier at its expense.
17. *The supplier shall fully disclose to us on request and with the aim of joint cost reduction and competitiveness, its pricing calculation and, within the scope of the open book calculation, advise all costs for raw materials, processing costs, direct and indirect labour costs and overheads, amortisation of investments, selling, general and administrative expenses and profit against conclusion of a non-disclosure agreement. Any miscalculations shall be borne exclusively by the supplier.*

Art. 6 Sub-contracts

The supplier shall have the right to award sub-contracts *if and insofar as it has been agreed that the supplier shall not perform strictly itself*. We shall, however, have the right, in this case of the supplier's right to award sub-contracts, to object to the placement of sub-contracts by the supplier for good cause. In such case, the supplier shall perform the order itself or through another suitable sub-contractor. Good cause exists in particular if the sub-contractor does not, when considered objectively, guarantee that the contract concluded by us with the supplier and the work undertaken by the sub-contractor in this respect shall be fulfilled as stipulated in the contract.

The supplier must inform us in writing or text form of the use of the sub-contractor in due time, stating all relevant details (e.g. company name, address, qualifications, references) to enable us to check at least 7 calendar days before the planned performance whether good cause exists as defined above and we can still inform the supplier of the result of our check.

Art. 7 Delivery, delivery period

1. The agreed delivery and/or service dates and periods must be complied with. Compliance shall be determined, where it is agreed that obligations are to be performed at our place of business, by receipt of the goods at our company resp. at the agreed place of delivery. Vehicles can be unloaded for delivery to us only on Mondays to Fridays (except on public holidays or works holidays) from 8 am to 3 pm unless a special arrangement has been expressly agreed in an individual case. The supplier shall be responsible for all resulting consequences for failure to comply with this obligation.
2. The supplier shall be obliged to notify us immediately in writing or text form if circumstances arise or become known to the supplier indicating that agreed dates for the delivery or service cannot be met. This shall also apply if the supplier is not responsible for delays in delivery. We shall be entitled to compensation from the supplier for resulting damage if this obligation is culpably violated. The supplier can invoke causes of a delay, for which it is not responsible, only if the supplier has complied with its obligation to notify.
3. Where the delivery or service is provided earlier than agreed, we reserve the right of return at the supplier's expense or refusal of performance of the service or refusal of the delivery. If, in the case of early delivery, goods are not returned, the goods shall be stored at the supplier's expense and risk until the delivery date.
4. Partial deliveries or partial services by the supplier shall be admissible only when expressly agreed with us. If partial deliveries are agreed, the residual quantity must be clearly specified.

5. Excess or short deliveries are only permitted with our express written consent.
6. If required, the supplier shall deliver products to a consignment warehouse. For this purpose, a consignment stock agreement shall be agreed.
7. In the case of shortages of supply, the supplier shall fulfil our purchase order by preference if this is possible for the supplier, taking account its other delivery obligations.

Art. 8 Passing of risk, documents

1. Unless otherwise agreed with us, delivery shall be made DAP - Incoterms® 2010 and at the risk of the supplier until the date on which delivery is completed, and, in the case of services provided under contracts for work, until the date of acceptance at the contractually agreed place of performance by us.
2. The supplier shall be obliged within the context of the business relationship to handle each individual purchase order separately in all business correspondence. The supplier shall be required to specify at least the full purchase order number, purchase order date and ordering party's reference as well as our transaction number in all correspondence e.g. emails, letters, dispatch notes, delivery and packing notes, invoices, consignment notes, accompanying addresses and the like. If, by way of exception, delivery ex works is agreed, the supplier must prepare, especially for EXW, the freight/customs/shipping documents and package lists and forward them to us immediately.
3. A single copy of the above-mentioned documents such as invoices, delivery notes and packing notes must accompany each consignment. In the case of deliveries of goods, these documents must at least include:
 - Quantity and unit of quantity, gross, net and, if applicable, calculated weight as well as purchase order number, article description, residual quantity in the case of partial deliveries and our purchase order number.
4. As material contractual obligation, the supplier is obliged to render to us with the delivery of the goods the certificates of origin and inspection with respect to the delivery items in German or English. *Consideration for this is already included in the remuneration for the principal service.*
5. In the case of contracts for work and such purchase contracts, where acceptance of the delivery item has been agreed, the risk shall pass only upon our formal acceptance of the service and/or delivery. Otherwise the risk shall pass upon the delivery item being delivered to us resp. at the agreed place of delivery and service. Fictitious acceptance is excluded.

Art. 9 Date of performance, default, delivery capacity

1. The agreed delivery dates and/or periods are binding. Compliance with the delivery date or delivery period shall be determined by receipt of the goods at the place of receipt resp. place of use stated by us. In the event of default in a delivery and/or service by the supplier, we shall be entitled to full statutory claims. In particular, we shall have the right, after a reasonable period has elapsed without result, to rescind the contract and/or claim damages in lieu of performance.
2. In the event of default in a delivery and/or service by the supplier, we shall have the right to obtain a contractual penalty of 0.5 % of the net remuneration for the delivery resp. service for which the supplier is in default for each completed week of default but not more than a total of 5 % of the net remuneration for the delivery resp. service for which the supplier is in default. We reserve the right to further statutory claims, in particular claims for damages but subject to the contractual penalty being set off in full. We can assert the contractual penalty within 3 months of becoming aware of default.

3. In the event of a delay in delivery and/or service that is imminent or has already occurred, the supplier shall allow us on request to inspect all its relevant documents in connection with the legal relationship on which the delivery resp. service is based vis-à-vis its suppliers and/or sub-contractors and shall specify to us all sub-suppliers and suppliers in this respect as customer entitled to inspect. The supplier shall be obliged to disclose trade secrets within the meaning of Section 2 *Geschäftsgeheimnisgesetz (GeschGehG)* [German Trade Secrets Act], i.e. such information and/or data which are known only to a narrow group of persons, bear a relation to its company, have an economic value and can be identified and concerning which the supplier has taken appropriate protective measures, in this respect, however, only based on an offer of a non-disclosure agreement by us in the supplier's possession which binds us for the benefit of the supplier in respect of the information to be disclosed.
4. If, in the event of delay in a delivery or service by the supplier, there is an objective reason for this in our favour, the supplier shall grant us the rights to contact all sub-suppliers and suppliers in question on its part within the scope of the order processing for us directly in order to avert resp. reduce as far as possible any resulting delay in a delivery and/or service. The supplier shall provide us with the contact details for this free of charge.
5. If the situation in paragraph 3 and 4 above exists, full responsibility for the order shall remain with the supplier.
6. Acceptance of a late delivery shall include no waiver of claims for damages and no contractual penalty agreed for our benefit.
7. *The supplier undertakes to make adequate production and delivery capacities available in order to enable production of the number of products determined as target capacity per calendar year plus 15 % and delivery to us.*
8. To cover an additional immediate requirement, the supplier shall hold at our request a quantity to be agreed of the product in stock at its expense. If there is no phase-out scheduling, we shall be obliged, when the supply relationship ends, to purchase such products if they are according to the agreement and the supplier cannot otherwise utilise them.

Art. 10 Change management

1. The need for changes to the order content cannot always be avoided, also due to change requests from our end customers. We shall have the right, therefore, to require changes to the delivery item and/or service, also after the contract has been concluded, according to the regulations set forth below, if, when considered objectively, the deviations, taking into account the supplier's business and its production resp. service knowledge and the supplier's order book, are reasonable for the supplier in technical and logistical terms. The supplier shall examine the change request immediately and notify us immediately in writing of its effect on the contract framework. This obligation to notify shall include a declaration as to whether the requested changes are at all feasible technically and/or logistically and expedient as well as a declaration concerning the effects of the change requests on the contract framework agreed by then such as the concept, periods, dates, acceptance modalities and remuneration in the form of a quotation. We shall then give the supplier a decision immediately concerning the implementation of the changes.
2. In the case of a positive decision and agreement on the changes to the contract terms and conditions, the change to the purchase order shall become an integral part of the contract.
3. Where changes are technically and for the supplier economically insignificant, the supplier cannot require a change to the contract terms and conditions.

Art. 11 Acceptance

1. All services provided by the supplier, for which acceptance is possible, are subject to formal acceptance. If the inspection of the supplier's services requires the commissioning of a system or machine, acceptance shall take place only after the successful completion of the agreed function tests. Otherwise the test period for us shall be 12 calendar days after receipt of notification of completion, unless otherwise expressly agreed. The supplier shall waive the objection of a delayed notice of defects in this respect.
2. If the supplier has to provide a service that requires our acceptance, the supplier shall be obliged to notify us in writing or text form of its request for acceptance at least 14 calendar days prior to the acceptance date to be agreed.
3. If defects are determined at the acceptance test, partial acceptance of services which are free of defects shall be possible after agreement with us, without the supplier having a legal right hereto. This partial acceptance shall not, however, be deemed final acceptance within the meaning of Section 640 BGB.
4. Acceptance shall require an acceptance report in writing or text form, signed by the parties. Fictitious acceptance shall be expressly excluded if we do not use the work result as intended commercially on a continuous basis for purposes other than for test purposes for more than 30 calendar days.

Art. 12 Inspection for defects, warranty (breach of duty due to defective performance in the case of material defects), liability for defects, limitation of claims due to material defects and defects of title, alternative performance

1. The supplier warrants and within the scope of application of the UN Sales Convention (CISG) guarantees that all delivery items fully comply with the requirements specified in Section 434 BGB and (i) all deliveries/services comply in full with the agreed specifications and/or formulations, are free of contaminants and pesticides, in the case of technical items, conform to the current state of the art at the time the contract was concluded, the relevant legal provisions and the regulations and guidelines of authorities, employers' liability insurance associations and trade associations of the Federal Republic of Germany and the European Union, in particular where applicable the Machinery Directive of the European Union, and the country of use notified prior to conclusion of the contract and (ii) the agreed specifications and (iii) are suitable for the purpose notified by us to the supplier prior to conclusion of the contract and (iv) have such properties which are usually inherent in delivery items or services of the kind ordered.

The supplier warrants and within the scope of application of the UN Sales Convention (CISG) guarantees furthermore that the delivered products and packaging materials are environmentally friendly.

The supplier undertakes to comply with all relevant statutory provisions and guidelines relating to the delivery item and/or the services covered by the contract. If compliance with technical regulations and standards such as CE, CSA or UL and EAC specifications has been agreed for the products or their components, the supplier shall provide proof of this to us and make it available to us with the invoice as condition for the payment claim to fall due. In addition to the supplier's contractual obligation, these specifications must be complied with in particular so that the customs regulations can be complied with.

The supplier warrants all dimensions specified in a drawing agreed with us. This also applies to other technical agreements. If deviations from these provisions are necessary in individual cases, the supplier must obtain our written consent concerning this. Such consent shall not affect the supplier's warranty obligation.

2. We shall be entitled in full to statutory claims for defects and, within the scope of application of the UN Sales Convention

(CISG), the rights arising therefrom in the event of a defective delivery and/or service.

3. We shall be entitled in any case of a material defect in the delivery item at our option to require the supplier to remedy defects or deliver a new article.
4. If the products supplied do not correspond to the warranty resp. within the scope of application of the CISG guarantee provided by the supplier, the supplier shall be liable for all damages resulting therefrom, including consequential damages to the extent permitted by law.
5. In the event of a warranty claim (*breach of duty due to defective performance*), the supplier shall be obliged to bear all expenses required for the purpose of remedying defects or making a replacement delivery. These costs shall also include the costs of separating out and disassembly and reassembly in respect of the delivery item. The supplier shall also bear those costs that are incurred or increase due to the delivery item being taken to a place other than our branch. *Place of rectification* shall be the place where the delivery item is located as intended at the time of the notice of defects.
6. We shall have the right to examine any deviation of the goods in terms of quality or quantity by taking representative random samples if this conforms with the circumstances of the ordinary course of business and the nature and scope of the delivery. These shall then be representative of the quality of the goods.
7. If the supplier defaults in remedying a defect, we shall have the right to obtain a contractual penalty for default in remedying the defect of 0.5 % of the net remuneration agreed for the defective delivery and/or service for each completed period of 7 calendar days of default but at most 5 % of the agreed net remuneration for the defective delivery resp. service without further proof of damage. The supplier shall, however, have the opportunity to prove to us that we incurred no damage or substantially less damage (= at least 10 % less). Further statutory and contractual claims and within the scope of application of the UN Sales Convention (CISG) the rights resulting therefrom on our part shall remain unaffected by this. The above-mentioned contractual penalty shall be set off in full against any claims for damages. We can assert the contractual penalty within three months of becoming aware of the supplier's default in remedying the defect.
8. In the event of defects of title due to culpable breach of duty by the supplier or its vicarious agents, the supplier shall indemnify us and our customers against all third-party claims in this respect, including the costs of legal defence and our administrative costs. If the supplier has produced its delivery or service according to documents provided by us, such as models or drawings, or at our express instruction, and could not have known that this would infringe third-party property rights, the foregoing obligation to indemnify shall not apply.
9. If we take back products finished and/or sold by us as a result of the defectiveness of the delivery item supplied by the supplier or claims have otherwise been asserted against us as a result, we shall have the right to full recourse against the supplier, whereby the setting of a period otherwise necessary to exercise our rights in respect of defects shall no longer be required.
10. Claims on our part against the supplier for material defects shall become statute-barred in the case of purchase contracts 36 months after the risk passes, in the case of contracts for work 36 months after acceptance, unless a longer period of limitation in respect of warranty applies by law. In the latter case, this shall apply.
11. The period of limitation for defects of title is 5 years, calculated as of acceptance; in the absence of stipulated acceptance, as of delivery of the outcome of performance owed according to the contract.

12. If the supplier submits with our consent to examination of the existence of a defect or the remedy of the defect, the period of limitation shall be interrupted until the supplier has notified us of the result of the examination in writing or text form or declares to us that the defect has been completely remedied in the above-mentioned form or the supplier refuses vis-à-vis ourselves continuation of the remedy or the remedy itself in writing or text form.
13. *Unless otherwise agreed, the incoming goods inspection by us shall be limited to externally visible transport damage and the determination of quantity and identity of the ordered products by means of the shipping documents. The supplier shall be notified immediately of identifiable defects established in the process. We shall give notice of other defects which are not obvious immediately after they are detected. There are no further obligations to inspect and give notice of defects. Further obligations for incoming goods inspection and giving notice of defects arising from Section 377 HGB are waived.*
14. The supplier shall perform a failure analysis immediately upon receipt of a notification of a defect. If required, we shall support the supplier as far as possible in the defect detection. For this purpose, products subject to complaint shall be made available to the supplier to the agreed extent. The supplier shall analyse every deviation of the products subject to complaint from the requirements and specifications and perform all necessary tests to identify the source of the failure. The supplier shall then notify the causes of the deviations and/or defects and the measures taken to remedy and prevent defects and their effects immediately in writing or text form.
15. *We can remedy defects in the delivery item ourselves in fulfilment of our obligation to mitigate damage without prior consultation with the supplier and charge the expenses to the supplier, without this affecting the supplier's warranty obligation, if the cost of remedy is not more than EUR 100.- net.*

Art. 13 Force majeure

Force majeure, industrial disputes, operational disruptions through no fault of our own, unrest, epidemics, pandemics and other events beyond our control shall entitle us, regardless of our other rights, to rescind the contract in whole or in part if such events are not of an insignificant duration (i.e. persist for longer than 4 weeks) and result in a substantial reduction in our requirements and we notify the supplier of the obstruction immediately, unless we have assumed a guarantee liability. If the supplier is affected by one of the above events, the supplier shall support us to the best of its ability to maintain our supply in the transfer of production of the goods to us or a third party, including the licensing of industrial property rights necessary for production subject to reasonable conditions.

Art. 14 Product liability, indemnification, third-party liability insurance coverage, quality assurance

1. If the supplier is culpably responsible for product damage on our part, or on the part of a third party, which we have accordingly supplied, the supplier shall be obliged, unless otherwise expressly agreed, to indemnify us and our customers in this respect against all customary and appropriate third-party claims for damages and the reimbursement of expenses insofar as the cause lies in the supplier's area of control and organisation. Apart from payment of damages to third parties, the supplier's duty to compensate shall also include customary and necessary costs of legal defence (up to an hourly rate of EUR 300.-/hour plus any applicable value added tax), costs of recall, inspection, assembly and disassembly.
2. Within the scope of its liability for cases of damage as defined by paragraph 1, the supplier shall also be obliged to reimburse any expenses resulting from or in connection with a recall performed by us. We shall inform the supplier in advance of the content and scope of the recall measures to be performed, if this is possible and can be reasonably

expected of us in terms of time in relation to the risk to be eliminated, and shall give the supplier the opportunity to comment. This shall not affect other statutory or contractual claims.

3. The supplier undertakes, as of the date when the first contract is concluded with us, for a period of up to 42 months after the last delivery and/or service provided to us, to maintain a business liability insurance with a minimum coverage amount of EUR 5,000,000.00 per event of personal injury/damage to property and EUR 1,000,000.00 for pecuniary loss - lump sum - if we are entitled to further claims for damages, these shall remain unaffected. The supplier must provide us with proof of the above-mentioned insurance and premium payment for this at first request. If proof of the insurance and premium payment is not provided to us at our request within 7 calendar days, we shall have the right to rescind contracts not yet fulfilled in whole or in part (with respect to the part not yet fulfilled).
4. The supplier shall carry out quality assurance appropriate in nature and scope and corresponding to the current state of the art when the contract was concluded and shall provide us with proof of this upon request. The supplier shall conclude a corresponding quality assurance agreement with us if we deem this necessary.

Art. 15 Rights of use, inventions

1. If formulations, drawings, individual EDP programs, photographic material, film footage and layouts for print media or other such documents and/or data are created for the deliveries resp. services to be performed by the supplier on our behalf, we shall have an exclusive, transferable right of use thereto, unlimited in time, location and content, for all types of use, such right being discharged in full by the agreed price.
2. If the deliveries resp. services are protected by the supplier's copyrights, the supplier shall grant us the irrevocable, transferable right, unlimited in time, location and content, to use the delivery resp. service at our discretion in any known and unknown types of use, free of charge, in particular to reproduce, distribute, display, change and process the delivery resp. service.
3. If copyrighted rights of use, industrial property rights and/or other rights to performance results and other written, machine-readable and other work results arise for deliveries resp. services to be performed by the supplier on our behalf, we shall be entitled to them exclusively and fully as part of performance and they shall be discharged in full by the agreed price. The supplier is obliged to notify us immediately of the existence of such circumstances in text form and agree on further action with us.
4. The supplier is further obliged to claim inventions of its employees and, if applicable, sub-suppliers at its expense, indemnifying us, so that the supplier can transfer the rights to these inventions to us.
5. If we register an invention as a property right, we shall assume the costs incurred for registration and maintenance of the property right.
6. If we decide against registration in the case of inventions/work results or we are no longer interested in an existing property right, the supplier can pursue the registration or maintenance of the property right at its own expense. However, in such case a non-exclusive and transferable right of use thereto, free of charge, shall remain with us.
7. If, in the context of our exploiting the deliveries resp. services, it is necessary to use the supplier's property rights, which already existed for the supplier before provision of the delivery resp. service, we shall have a non-exclusive and transferable right to use these property rights from the supplier, such right being discharged in full by the agreed price.

Art. 16 Spare parts and readiness for delivery

1. The supplier warrants that it shall ensure the supply of spare parts for a period corresponding to the usual period of technical usability for the delivery item but for at least 10 years after supply of the last delivery of the delivery item concerned to us, unless a different availability of spare parts was expressly agreed with us. During this period, the supplier undertakes to supply these parts to us on customary market, economic and legal conditions.
2. If the supplier intends to discontinue the supply of the spare parts under the contract for the delivery item after expiry of the above-mentioned period, the supplier shall give us the opportunity with a lead time of at least 90 calendar days to place a final purchase order, which must be able to correspond at least to the last average purchase order quantities for the product concerned of the last three years. This shall also apply if the supply of spare parts is discontinued prior to expiry of the period, whereby our reordering shall not cause us to forfeit our claims for damages.

Art. 17 Provision of materials, co-ownership, retention of title

1. Raw materials, tools, materials, parts, containers and packaging provided by us may be used by the supplier only for their intended purpose for the supplier's execution of the order placed by us. If they are passed on to sub-contractors, the supplier shall also ensure this on the part of the sub-contractors as contract for our benefit and prove this to us without being requested to do so.
2. We shall retain title to tools and formulations provided by us.
3. If we provide parts to the supplier, we shall retain title to them (**Goods Subject to Retention of Title**). The supplier shall undertake processing or transformation of them on our behalf. If our Goods Subject to Retention of Title are processed with other items that do not belong to us, we shall acquire co-ownership of the new article in the ratio of the gross value of our item (purchase price plus value added tax) to the other processed items at the time of processing.
4. If the article provided by us is inseparably mixed with other items that do not belong to us, we shall acquire co-ownership of the new article in the ratio of the gross value of the article subject to retention of title (purchase price plus value added tax) to the other mixed items at the time of mixing. If the items are mixed in such a way that the supplier's article is deemed to be the principal article, it shall be deemed agreed that the supplier shall transfer co-ownership to us on a pro rata basis in the above-mentioned ratio. The supplier shall safeguard sole ownership or co-ownership on our behalf.
5. The supplier shall be obliged to insure the raw materials, tools which belong to us and are made available to the supplier at their replacement value at its own expense against damage caused by fire, water and theft. At the same time, the supplier already assigns to us now all claims for compensation under this insurance. We herewith accept the assignment.
6. The supplier shall also be obliged to carry out any required maintenance and inspection work and all repair and servicing work on our tools in due time at its own expense and to prove to us that this has been carried out. The supplier must notify us immediately in writing of any failure of the machines and/or tools provided. If the supplier culpably fails to do so, we shall be entitled to a claim for damages in the event of damage.
7. If the security interests, to which we are entitled according to paragraphs 1 to 6, exceed the purchase price of all our Goods Subject to Retention of Title, which are not yet paid for, by more than 10 %, we shall be obliged at the supplier's request to release the security interests at our option.

Art. 18 Third-party property rights

1. The supplier warrants and within the scope of application of the CISG guarantees that no third-party rights within the

Federal Republic of Germany and the European Union and the country of delivery or use of the delivery item and/or service notified to the supplier by us together with the purchase order are infringed in connection with the supplier's delivery and/or service. Liability is excluded outside the guarantee liability given under the CISG if the supplier proves that it neither knew nor could know about the existence of such rights or their occurrence in the future when the delivery item was delivered or the service provided.

2. If a claim is made against us by a third party for a culpable infringement (outside the scope of application of the CISG) of such rights according to paragraph 1 by the supplier, the supplier shall be obliged to indemnify us at first written request against these claims. We shall not have the right to enter into any agreements with the third party, in particular to conclude a settlement with the holder of the rights, without the supplier's consent.
3. The supplier's obligation to indemnify shall apply to all expenses we necessarily incur from or in connection with a claim made by a third party.
4. The period of limitation for liability arising from the infringement of property rights shall commence as soon as the claim arises and the circumstances on which the claim is based have come to our knowledge or should have come to our knowledge without gross negligence. The period of limitation for such claims on our part is 5 years.

Art. 19 Documents and confidentiality

1. All business, technical or product-related information, calculation data, manufacturing specifications, formulations, internal production information and other company information and data of whatever kind made accessible by us to the supplier, including other development or manufacturing characteristics laid down in writing as samples, properties or as data, which are to be taken from any items, documents or data provided by us or our vicarious agents to the supplier, and other know-how or experience on our part or of our customers provided to the supplier must be kept confidential with respect to third parties, unless and until they are proven to be in the public domain or a legal or official obligation of disclosure exists, and may be made available in the supplier's own company only to those persons who must necessarily be involved in their use for the purpose of the delivery or service to us and who are likewise obliged in writing to treat them as confidential. They shall remain exclusively our property. This is irrespective of whether they are trade secrets within the meaning of Section 2 *GeschGehG* or not. The provisions of the *GeschGehG* remain unaffected.
2. Such information may not be reproduced or used commercially, other than for deliveries to us, without our express prior consent. The above agreement of confidentiality shall also survive termination of the supply resp. service relationship until it lawfully enters the public domain but at most for 5 years after the end of the contract processing (excluding the period of limitation in respect of warranty) between ourselves and the supplier in relation to that contract, in connection with which the relevant information was disclosed resp. provided to the supplier. The above obligation of confidentiality shall not exist if the supplier can prove that it has itself developed the information transmitted in a lawful manner before it was disclosed or was already aware of the information (in which case the supplier shall notify us immediately in writing or text form after transmission of the information - at the latest within 14 calendar days thereafter - otherwise the supplier can no longer invoke that exception) or the information has entered the public domain as a result of our written declaration or there is an official or statutory obligation of disclosure.
3. At our request, all information and data originating from us (including, if applicable, copies or records made) and items provided on loan shall be returned to us immediately and in full or destroyed and their destruction confirmed in writing or text form. If information provided to the supplier is contained

in data, such data shall be deleted in full by overwriting any time at our first request, and deletion confirmed to us immediately in writing or text form.

4. In the case of data transmitted by us to the supplier, we shall also have the right to have the supplier make a declaration to us to cease and desist with a penalty clause, which shall include a contractual penalty for each culpable case of contravention of the obligation to cease and desist from further usage of the data transmitted by us or copies thereof, their return and/or deletion by the supplier, which can be determined by us at our reasonably exercised discretion (Section 315 *BGB*) relative to the supplier's remuneration and the damage propensity of the breach of duty. At the supplier's request, this can be reviewed and reduced by a court of law (Section 315 III *BGB*). The supplier shall not be obliged to cease and desist here if the supplier is subject to an official or legal obligation of disclosure or obligation of data usage.
5. We reserve all rights to such information and data (including copyrights and the right to register industrial property rights such as patents, utility models, trademark protection etc.). If such information and data were made accessible to us by third parties, this reservation of rights shall also apply for the benefit of such third parties.
6. Licences or warranties are not connected to the samples, models, information and/or data transmitted to the supplier.
7. Products manufactured according to documents drafted by us e.g. drawings, samples or models and the like or according to our confidential information or with our formulas that are not in the public domain or our tools or reproduced tools may neither be used by the supplier itself nor offered or supplied to third parties.
8. If a separate non-disclosure agreement has been concluded between ourselves and the supplier, its provisions shall, in the event of an inconsistency or further provisions, take precedence over the foregoing provisions of this Art. 19.

Art. 20 Safety provisions, other requirements of deliveries and services

1. For its deliveries, the supplier must comply with the safety regulations which are valid in the Federal Republic of Germany and the European Union and the country of delivery or use notified to the supplier prior to conclusion of the contract and with the technical data or limits corresponding to the current state of the art at the time of concluding the contract or further technical data resp. limits agreed and our respectively valid supplier code, made known to the supplier, for its delivery/service.
2. The supplier undertakes to use exclusively materials that comply with the respectively applicable, relevant statutory safety requirements and provisions within the European Union, in particular for poisonous and hazardous substances and, if relevant, the REACH Regulation (*Regulation* (EC) 1907/2006) of the EU. This shall also apply to environmental protection regulations and regulations with regard to electricity and electromagnetic fields. The above obligation shall include all relevant regulations applicable to the Federal Republic of Germany, the European Union and the country of use notified to the supplier prior to conclusion of the contract in relation to the delivery and/or service covered by the contract, and, if they deviate from these, also the regulations of customer countries notified to the supplier prior to or together with the purchase order. The supplier shall provide us with proof of compliance with these regulations at our first request and cooperate in providing corresponding proof to the respectively competent authorities.

The supplier warrants that its supplies comply with the provisions of Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH Regulation). The substances contained in the supplier's products are, as far as required by the provisions of the REACH Regulation, pre-registered resp. registered after

expiry of the transition periods unless the substance is exempt from registration. The supplier shall provide safety data sheets pursuant to the REACH Regulation resp. the information required pursuant to Art. 32 of the REACH Regulation. On request, the supplier shall also notify the information required according to Art. 33 of the REACH Regulation to us.

3. If the supplier's products culpably do not comply with the requirements of paragraphs 1. to 2., we shall have the right to rescind the contract. This shall not affect further claims for damages and claims for reimbursement on our part.
4. We must be notified in writing or text form of intended changes to the delivery item and service. Such changes shall require our prior written consent.
5. We draw attention to the fact that all external persons who enter our company or our company premises shall also be subject to the rules of conduct of our site regulations. Where such rules are violated, we reserve the right to remove the person from the company premises. When the supplier is working on our company premises on our behalf, the supplier shall, in order to prevent occupational accidents, make all set-ups and arrangements and take all measures, which comply with the provisions of the relevant regulations for the prevention of accidents and other generally accepted rules on safety and occupational health. The labour guidelines of our employers' liability insurance association must be complied with in the case of work on our company premises.
6. The supplier is obliged to familiarise itself with the "Safety Regulations for Contractors" available for download on our homepage. The supplier shall require its employees and sub-contractors to comply with the "safety regulations for contractors" and to monitor compliance with them. Before starting activities, the supplier shall confirm knowledge of the "Safety Regulations for Contractors" by delivering the signed "Confirmation of Knowledge" (last page) to us.

Art. 21 Quality and documentation

1. In the absence of other express agreements, the supplier shall bear the costs for declarations of conformity, certificates of origin, other certification (e.g. if applicable ISO 9001, ISO 13485, CE, CSA or UL specifications). Declarations of conformity must be submitted to us immediately in German and English with each delivery.
2. Notwithstanding the foregoing, the supplier must comply with and continuously verify the quality of the delivery item until its delivery. The supplier must notify us immediately in writing or text form of any errors of specifications and foreseeable complications recognisable to the supplier as a result of this. This must be ensured and documented by suitable test and measurement procedures. We shall have the right to request disclosure of the results of such verification in writing or text form at any time and without additional costs.
3. The scope of delivery shall include product-specific and/or technical documentation, certificates of conformity (at our option in German and/or English) and other documents and certificates, operating instructions, product labels, warning notices and other user information necessary for the ordered item or its use, at our option in German and/or English, and the marking of the parts and product and/or its packaging required by law within the EU and the country of destination for the delivery item notified to the supplier prior to conclusion of the contract.
4. The supplier shall ensure that the delivery items can be traced exactly through batches or serial numbers.

Art. 22 Software

1. If the delivery item contains software produced for us, we shall, without any special further remuneration, receive the source code and have the right to use the software, also at companies affiliated with us pursuant to Section 15 *AktG* [German Stock Corporation Act] or otherwise under company law, reproduce it at our discretion, modify it and provide it

together with the delivery item to third parties worldwide for payment or without payment.

2. We shall have the right to decompile the above-mentioned software for maintenance and further development purposes. If the supplier develops individualised software for us, we shall be entitled to use and exploit the source code without restriction at our option.
3. Remuneration for software shall be due only after formal acceptance procedure has been completed with our written declaration of acceptance.
4. When supplying software, supplementary performance with a new version of the program shall be permitted only with our express prior consent. If our consent is given, the supplier shall be obliged to instruct our employees at its expense in the new version of the program free of charge.

Art. 23 Auditing

1. We, ___ and also our customers as third-party beneficiary contract within the meaning of Section 328 BGB (**Parties with Authorisation to Audit**), shall have the right, also with respect to our own certification, but shall not be obliged to audit the supplier ourselves or have an expert and/or advisor of our choice perform the audit. This shall include an inspection of the supplier's company, delivery quality and quality assurance system and a subsequent evaluation. The supplier shall ensure, within the framework of its legal means, that its sub-suppliers grant us and our customers the same right to audit. Findings acquired here shall form the basis of our awarding further orders and our internal rating of the company.
2. We and the Parties with Authorisation to Audit specified in paragraph 1 shall have the right to make announced inspections of the supplier's regular business operations and to monitor its quality assurance measures during normal business hours and with prior notification.
3. We shall have a right, if we prove a justified legal interest, to inspect the supplier's relevant documents. Such justified interest shall exist in particular where such an inspection might yield findings, which can enable us to assess the necessity and scope of a recall.
4. Within the scope of our exercising rights pursuant to paragraphs 1 to 3 above, the supplier shall not be obliged to disclose trade secrets, within the meaning of Section 2 *GeschGehG* (see Art. 9 (3.)), unless the conclusion of a non-disclosure agreement regarding the above-mentioned trade secrets within the meaning of Section 2 *GeschGehG* was offered in writing to the supplier by the Party with Authorisation to Audit who is exercising the right to audit.

Art. 24 MindestlohnG [German Minimum Wage Law]

1. The supplier undertakes to comply fully with the requirements of the *Mindestlohngesetz (MindestlohnG)* for its employees and warrants compliance with the provisions of the *MindestlohnG*, also in the case of any sub-contractors used.
2. If the supplier culpably violates an obligation arising from paragraph 1 above, the supplier shall be obliged to indemnify us against any third-party claims in this respect. Furthermore, we shall have the right in such case to rescind all contracts with the supplier with regard to the part not yet fulfilled. The supplier shall have no claims by reason of the rescission.
3. The supplier undertakes to prove compliance with the provisions of the *MindestlohnG* regarding its employees or the employees of sub-contractors used to us at first request by providing corresponding proof of wage payments. If the supplier is in default with this for longer than 30 calendar days, sentence 2 of paragraph 2 shall apply *mutatis mutandis*.

Art. 25 Shipping documents, customs duties, export control

1. The country of origin of goods must be documented by a supplier established within the EU by a valid (long-term) supplier's declaration (according to the latest version), by a supplier not established within the EU by proof of preferential treatment status or certificate of origin. Items of information required for the (long-term) supplier's declaration are our article numbers, the precise country of origin and the customs tariff number.
2. Notification of any change in the country of origin of the goods must be given to us immediately and without being requested to do so in writing or text form.
3. If the issue of a (long-term) supplier's declaration is not possible, a certificate of origin must be attached to the delivery without being requested to do so and free of charge.
4. The supplier shall indemnify us against all costs and claims of third parties arising as a result of culpably incorrect, incomplete or erroneous documents or statements of origin on its part.
5. We must receive a valid supplier's declaration (according to the latest version) and all product information relevant for (inter)national movement of goods from the supplier with the first delivery. If the supplier supplies goods to us which are subject to export control, the supplier undertakes to send us immediately all further documents and information necessary for the application for approval. This obligation to notify shall also continue to exist for the supplier after the business relationship ends.
6. The supplier declares itself to be an authorised economic operator (AEO) or to have established at least equivalent security and safety standards pursuant to Art. 38 and 39 of Regulation (EU) No. 952/2013

Art. 26 Sustainability and occupational health and safety

1. The supplier undertakes in its production facilities to comply with the respectively applicable legal systems and internationally recognised human rights. The supplier warrants that the production and working conditions existing there are in accordance with the ILO Conventions, the UN Global Compact, the OECD Guidelines and the United Nations Universal Declaration of Human Rights and the UN Conventions on the Rights of the Child. If different regulations apply side by side, the supplier shall apply in each case the one that provides employees with the highest degree of protection and safety.
2. If products to be supplied to us by the supplier or their primary products are manufactured outside the European Economic Area (EEA), the supplier shall provide us additionally,
 - (i) both for the supplier and
 - (ii) for all sites before them in the supply and production chain for the sites located outside the European Economic Area,
 with proof of a valid social standard certificate, issued by a recognised and independent certification institute, this at least according to the standard SA 8000 or a comparable standard (in particular BSCI or Sedex).
3. The use of child labour, as defined in the ILO and UN Conventions and/or relevant nationally applicable law, shall not be accepted by us. The minimum age for the employment of minors to be complied with by the supplier is 15 unless ILO derogations apply. The supplier must also comply with all other regulations for the protection of children and adolescent employees. All forms of forced, slave and prison labour by the supplier are inadmissible. No employee may be forced into employment, either directly or indirectly, by coercion or force.

4. The supplier shall refrain from discrimination. This includes discrimination on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, disability, political opinion, membership of a labour organisation or trade union or other personal characteristics (e.g. skin colour). Furthermore, the supplier/sub-suppliers shall observe the equal opportunities of its employees.
 5. Employees must have an employment contract in written form from the supplier. Minimum requirements for this are: name, date and place of birth, home address, start of employment, duration of the employment contract, working hours, substance of performance owed, remuneration, vacation entitlement, conditions for termination, signature of employee and employer. In the case of personnel leasing, the supplier must ensure that its contracting partner fulfils these requirements.
 6. The supplier's wages may not in any case fall below the local minimum wages. Social security contributions required by law must be granted. Illegal and unjustified wage deductions, especially in the form of disciplinary measures, are not permitted.
 7. The supplier shall comply with the maximum working hours required by law.
 8. The supplier shall ensure in particular safe and health-compliant working conditions. The supplier must carry out regular occupational health and safety exercises and measures to ensure that accidents and occupational diseases are prevented.
 9. The supplier is prohibited from carrying out any kind of corporal punishment, threat of violence and harassment, intimidation or abuse, especially in a physical, sexual, psychological or verbal form. Disciplinary measures may be taken only in accordance with national laws and internationally recognised human rights.
 10. The supplier shall ensure in its companies and at company level across the entire supply and production chain used by the supplier the establishment of effective complaint mechanisms for employee grievances about negative effects arising from employee work situations. Employees who lodge a complaint based on principles to be complied with of Art. 24 of these General Terms and Conditions of Purchase and/or applicable national/international law may not be subjected to any form of disciplinary or retaliatory measures by the supplier.
 11. The supplier must comply with the environmental standards respectively applicable to the supplier and strive in addition, pursuant to the principles of sustainable development of the Rio Declaration of 1992, for the continuous reduction and prevention of environmental pollution as well as the continuous improvement of environmental measures.
 12. Waste management, the handling and disposal of chemicals and other hazardous substances, emissions and wastewater treatment by the supplier must comply at least with respectively applicable statutory provisions and standards. Environmentally and socially responsible production are to be promoted by the supplier.
 13. If the products to be delivered or their primary products are produced outside the European Economic Area, the supplier must submit to us a current environmental certificate, at least according to the standard of DIN ISO EN 14001 or a comparable standard, issued in each case by a recognised and independent certification institute, for the supplier and for all sites before the supplier in its supply and production chain relating to the delivery to us for the sites located outside the EEA.
 14. The supplier is obliged across the supplier's entire supply and production chain to carry out appropriate controls in the production facilities concerned at regular intervals to ensure the requirements relating to compliance with Art. 24 of this code of General Terms and Conditions of Purchase.
 15. We only conclude contracts with suppliers who comply with minimum social and environmental standards according to the Lieferkettensorgfaltspflichtgesetz (LkSG) [German Act on Corporate Due Diligence in Supply Chains]. The supplier shall ensure the establishment of a risk management in this respect within the meaning of the LkSG, the performance of regular risk analyses for this purpose, the implementation of preventive measures in the supplier's own business area vis-à-vis direct suppliers, the adoption, where applicable, of corrective measures immediately and the establishment of a suitable complaints procedure for this purpose and the performance of the due diligence obligations of the LkSG, also with respect to indirect suppliers, as well as the proper documentation of the above-mentioned measures and the provision of proof to us in an appropriate form at first request.
 16. In the event of a violation of the obligations arising from this Art. 26, the supplier shall implement appropriate corrective measures immediately, shall document them and provide us with proof of them immediately.
 17. If the supplier culpably violates an obligation arising from paragraphs 1-16 above, the supplier shall indemnify us in respect of all damages, costs and expenses (regarding costs and expenses, if these are customary, appropriate and proved). The objection of contributory negligence (Section 254 BGB) shall remain unaffected.
 18. If the supplier culpably violates an obligation arising from paragraphs 1-16 above, the supplier shall owe us a contractual penalty, the amount of which shall be determined by us at our reasonably exercised discretion (Section 315 BGB) taking into account the supplier's remuneration for the performance under the contract and the damage propensity of the breach of duty. The supplier's right to review and reduction of the contractual penalty by a court of law (Section 315 III BGB) shall remain unaffected. The assertion of further or other rights, especially to reimbursement of expenses and damages (subject to the contractual penalty being set off in full) shall remain unaffected for us. The contractual penalty may not exceed the amount of EUR 30,000 in the individual case and EUR 300,000 for all conceivable cases of its occurrence.
- Art. 27 Advertising reference, severability clause, place of jurisdiction/arbitration tribunal, choice of law, data storage**
1. The business connection with ourselves may be indicated vis-à-vis third parties for advertising purposes or as reference only with our express consent.
 2. If any provision of the contract concluded with us is or shall become invalid / void or unenforceable in whole or in part for reasons relating to the law of general terms and conditions according to Sections 305 to 310 BGB, statutory provisions shall apply. If any current or future provision of the contract is or shall become invalid / void or unenforceable in whole or in part for reasons other than the provisions relating to the law of general terms and conditions according to Sections 305 to 310 BGB, this shall not affect the validity of the remaining provisions hereof, unless the performance of the contract, also in consideration of the following provisions, would present an unreasonable hardship for one of the parties. This shall also apply if, after the contract is concluded, it is found to have a gap that requires filling. The parties shall replace an invalid / void / unenforceable provision or gap that requires filling for reasons other than the provisions relating to the law of general terms and conditions according to Sections 305 to 310 BGB by a valid provision that corresponds in its legal and economic content to the invalid / void / unenforceable provision and the purpose of the contract as a whole. Section 139 BGB (partial nullity) is expressly excluded, also within the meaning of a provision relating to the burden of proof. If the invalidity of a provision in the above-mentioned case is due to a measure of performance or time (time limit or date) stated therein, a measure which most closely corresponds to the original

measure in a legally admissible way must be agreed for the provision.

3. The law of the Federal Republic of Germany exclusively applies. If the requirements of Art. 1, 3 CISG are fulfilled, the provisions of the UN Sales Convention (CISG) shall apply.
4. The language of contract, proceedings and official language in court is German if legal proceedings are conducted in the Federal Republic of Germany.
5. Place of performance is the agreed place of delivery / service, in the absence of such agreement, our registered office.
6. Place of jurisdiction is the location of our company's registered office. If the registered office is outside the Federal Republic of Germany but inside the European Union, the exclusive place of jurisdiction is Münster. We shall, however, also have the right at our option to bring an action against the supplier at the location of its registered office or at the place of performance.

If our registered office is situated within the People's Republic of China, the following shall apply:

All disputes arising from and in connection with the contract between ourselves and the supplier or its implementation, including disputes concerning the validity of the contract and this arbitration clause shall be finally decided without recourse to ordinary courts of law according to the Rules of Arbitration of the Chinese International Economic Commerce Arbitration Commission (CIETAC), whereby the arbitration proceedings shall be conducted by the CIETAC in Beijing without recourse to ordinary jurisdiction by three arbitrators. At the request of one of the Parties, the arbitration award can be declared enforceable by a national court. The arbitration proceedings shall be conducted in Beijing. No complaint may be made against the arbitration award which shall also decide on the costs of the arbitration proceedings. The arbitration tribunal shall comprise three arbitrators. Arbitration proceedings shall be conducted in English.

The above arbitration proceedings shall not apply if we choose to take legal action against the supplier before the competent ordinary court of law. Exercise of the right of choice must be notified by us to the supplier in writing or text form before initiation of litigation.

7. We store data arising from the contractual relationship pursuant to Section 26 *Bundesdatenschutzgesetz* [German Federal Data Protection Act] and the EU General Data Protection Regulation for the purpose of data processing.

Winkelmann Group GmbH + Co. KG

Stamp Date Signature

Stamp Date Signature Supplier