

Conditions of Purchase

Applicable to business transactions with business enterprises, legal persons under public law, and public special funds.

1. General

- 1.1 Our Conditions of Purchase apply exclusively; we do not recognize any general terms and conditions of the Supplier that conflict with or deviate from our Conditions of Purchase without our express written consent to their validity. Our Conditions of Purchase will apply even if we accept or pay for delivery of products and services (hereinafter Subject of the Contract) from a Supplier in awareness of said Supplier's terms that conflict with or deviate from our Conditions of Purchase.
- 1.2 Our Conditions of Purchase will also apply to all future deliveries to and services for us by the Supplier until our new Conditions of Purchase take effect.

2. Conclusion of Contract and Contract Amendments

- 2.1 Purchase orders, procurements, and calls for delivery as well as amendments and addenda to them must be in writing.
- 2.2 The supplier is obliged to check the consistency of the present revision level, with the revision level on the purchase order / delivery schedule. In case of a deviation, the supplier has to request a current and valid drawing.
- 2.3 Verbal agreements prior to or at the time of the conclusion of a contract will not be valid without written confirmation of purchase.
- 2.4 Verbal agreement after the conclusion of a contract, particularly subsequent amendments and addenda to our Conditions of Purchase (including this written-form requirement) as well as subsidiary agreements of any kind will also be invalid without written confirmation of purchase.
- 2.5 Offerings and quotes will be binding and will not be refunded without an explicit agreement to the contrary.
- 2.6 If the Supplier does not accept a purchase order within two weeks of receipt, we will be authorised to withdraw said purchase order. Calls for delivery will be binding if the Supplier does not reject them within five business days of receipt.

3. Delivery

- 3.1 Deviations from our procurements and purchase orders will only be permissible with our prior written consent.
- 3.2 Agreed appointments and deadlines will be binding. Adherence to delivery appointments or delivery deadlines will be determined based on receipt of the product by us. Unless "ex works" delivery has been agreed (DDU or DDP in accordance with Incoterms 2000), the Supplier must provide the product in a timely manner with due consideration for the loading and shipping time agreed with the shipper.
- 3.3 If agreed deadlines are not observed, the relevant statutory provisions will apply. If the Supplier should foresee difficulties with respect to production, acquisition of primary materials, adherence to the delivery deadline, or similar circumstances that may prevent the Supplier from making timely delivery or delivery of the agreed quality, the Supplier must inform our purchasing department immediately.
- 3.4 Unconditional acceptance of late delivery or service will not imply any waiver of our claims to compensation arising due to said late delivery or service; this will remain in effect until we have paid the remuneration that we owe for the corresponding delivery or service in full.
- 3.5 Partial deliveries are strictly prohibited unless we have explicitly consented to them or find them reasonable.
- 3.6 With respect to number of units, weight, and dimensions, the values that we determine upon inspecting incoming goods will be binding subject to evidence to the contrary.

4. Force Majeure

Force majeure, labour conflict, faultless operating failures, unrest, regulatory action, and other unavoidable events will authorise us to withdraw from the Agreement in whole or in part without prejudice to our other rights, provided that said events are not of insignificant duration and result in a significant reduction in our demand.

5. Shipping and Billing

Shipping will be to the address provided by the Purchaser. Direct deliveries to our clients must be made in our name. Notification of despatch must be sent to us promptly after shipping. Said notification must include an exact summary of the content of the shipment. Invoices must be sent in duplicate, separately for each purchase order immediately after shipping. They must include our order number and your delivery note number.

6. Price Quotation and Passage of Risk

Unless agreed otherwise, prices will be understood as ex works duty paid (DDP in accordance with Incoterms 2000), including packaging. Value-added tax is not included. The Supplier will bear the risk of material damage until acceptance of the product by us or our representative at the site to which the product is to be delivered as per order.

7. Payment

Payment will be made on the 15th day of the month after delivery has been made with a 3% rebate or 90 days from the end of the month net.

8. Claims for Defects and Right of Recourse

- 8.1 Acceptance will be subject to inspection for defects, in particular for correctness, completeness, and serviceability. We will be authorised to inspect the Subject of the Contract if and when doing so becomes possible in the proper course of business; we will provide notice of discovered defects promptly after they are discovered. In this regard, the Supplier hereby waives any objection to late notice of defects.
- 8.2 The lawful provisions concerning material defects and defects of title will apply unless otherwise regulated hereinafter.
- 8.3 We strictly reserve the right to choose the type of supplementary performance. The Supplier will retain the right to refuse the type of supplementary performance that we choose in accordance with the provisions of Section 439(3) of the German Civil Code (BGB).
- 8.4 If the Supplier should fail to promptly begin resolving the defect after our notice to resolve the defect, we will retain the right in urgent cases, and particularly for the purpose of protection against acute danger or avoidance of considerable damages, to undertake such resolution ourselves or to have such resolution carried out by a third party at cost to the Supplier. Claims of material defects will be subject to a two-year statute of limitations unless the object has been used in accordance with its standard usage for a structure and has caused said structure's defectiveness. The statute of limitations for claims of material defects will begin with the delivery of the Subject of the Contract (Passage of Risk).
- 8.5 In the event of defects of title, the Supplier will additionally indemnify us against possibly arising third party claims. Defects of title will be subject to a ten-year statute of limitations.
- 8.6 For parts of the delivery that are repaired within the statute of limitations of our claims for defects, the statute of limitations will begin again from the moment when the Supplier has fully fulfilled our claims to supplementary performance.

- 8.7 If expenses should accrue to us as a result of defective delivery of the Subject of the Contract, particularly transport costs, transport infrastructure costs, labour costs, material costs, or expenses in excess of the customary scope of entry control, then the Supplier will bear said expenses.
- 8.8 If we should withdraw products that are manufactured and/or sold by us as a consequence of the defectiveness of the Subject of the Contract delivered by the Supplier or if our purchase price has declined for the same reason or if we have been otherwise engaged for the same reason, we will reserve the right of recourse against the Supplier, whereby deadlines that would otherwise be necessary will not be required for the assertion of our rights arising from said defectiveness.
- 8.9 We will be authorised to demand compensation from the Supplier for expenditures that we have had to bear in relation to our client because said client has asserted a claim against us for compensation for the purpose of supplementary performance of necessary expenditures, in particular transport costs, transport infrastructure costs, labour costs, and material costs.
- 8.10 Regardless of the provision in Section 8.4, the statute of limitations in the cases articulated in Sections 8.8 and 8.9 will begin no earlier than two months after we have fulfilled the claims asserted against us by our client and no later than five years after delivery by the Supplier.
- 8.11 If material defect should appear within six months of the Passage of Risk, it will be assumed that the defect had existed prior to the Passage of Risk unless said assumption is incompatible with the nature of the object or the defect.

9. Product Liability and Recall

In the event that we should be subject to claims due to product liability, the Supplier will be obligated to indemnify us against such claims if and to the extent that the damage is caused by a defect in the Subject of the Contract delivered by the Supplier. In cases of fault-based liability, however, this will only apply if the fault lies with the Supplier. If the cause of the damage falls within the Supplier's scope of responsibility, then the burden of proof will reside with the Supplier in this respect. In the above cases, the Supplier will assume all costs and expenses, including the cost of any legal proceedings or product recall.

10. Additional Materials

Materials, parts, containers, and special packaging that we provide will remain our property. These items may only be used as intended. Materials will be processed and parts assembled on our behalf. It is hereby agreed that we will be co-owners of the products that the Supplier stores for us and that are manufactured with the use of our materials and parts in proportion with the value of the materials we provide relative to the value of the complete product.

11. Documents and Confidentiality

- 11.1 If and to the extent that it is not demonstrably public knowledge, all business or technical information that we make available (including characteristics that must be gathered from any delivered objects, documents, or software and other knowledge or experiences) must be kept confidential from third parties and may only be made available within the Supplier's own business to those persons who must necessarily be called upon for the purpose of delivery to us and who are likewise obligated to maintain confidentiality; they will remain our exclusive property. Such information may not be reproduced or used for commercial purposes (other than for deliveries to us) without our prior written consent. At our request, all

information that originated with us (including, where applicable, customised copies or records) and objects that we relinquished on loan must be immediately returned to us or destroyed.

We reserve all rights to such information (including copyrights and the right to register industrial property rights such as patents, utility models, mask-work rights, etc.). To the extent that these have been made available to us by third parties, this legal reservation will also apply to said third parties.

- 11.2 Products that we have manufactured based on documents such as drawings, models, and the like that we have designed or based on our confidential information or with our equipment or based on constructed equipment may not be used by the Supplier itself or offered or delivered by the Supplier to third parties. This also applies *mutatis mutandis* for our print orders.

12. Minimum Wage Law

- 12.1 The Supplier will be obligated to pay its employees the statutory minimum wage in accordance with the maturity date indicated in Section 2(1) of the German Minimum Wage Law (MiLoG). The Supplier hereby pledges that it will fulfil all other obligations arising from the Minimum Wage Law without exception, particularly the accounting obligations and, as an employer headquartered abroad, written notification in accordance with Section 16 of the MiLoG, which must be submitted in German to the appropriate governmental customers service authority prior to the start of any work supply or service in the industries stipulated in accordance with Section 2a of the German Undeclared Employment Act (SchwarzArbG).
- 12.2 At the Contractor's request during the entire term of the Contract until six months after the termination of the present contractual relationship, the Supplier will provide said Contractor with evidence of such fulfilment of this obligation within 14 days by presenting suitable documentation (particularly documents in accordance with Section 17(1) of the MiLoG, a document of compliance from the relevant social security benefits office or holiday pay fund, etc.).
- 12.3 At first request, the Supplier will indemnify the Contractor against all third party claims (particularly those originating with employees of the Contractor, Germany's Federal Employment Agency (*Bundesagentur für Arbeit*), or customs authorities) connected to violation of this obligation to pay the statutory minimum wage.
- 12.4 The Supplier is hereby obligated to require any subcontractor to demonstrably pay the statutory minimum wage and indemnify the Principal as the Supplier is obligated in accordance with Sections 12.1 and 12.2. If said subcontractor should in turn employ other subcontractors, the Supplier must ensure that all subcontractors are correspondingly obligated.
- 12.5 The Supplier will be liable to the Principal for all third party claims that arise due to subcontractors' violation of the obligation to pay the statutory minimum wage.
- 12.6 The use of additional subcontractors will only be permitted with written consent of GRUNER AG. GRUNER AG may revoke said consent if it has doubts concerning said subcontractors' payment of the minimum wage to its employees.
- 12.7 The Supplier must promptly inform the Principal if an investigation should be pending or if fines should be levied against the Supplier or a subcontractor employed by the Supplier due to suspicion of a minimum wage violation.
- 12.8 In the event of violation, the Supplier must pay a fine of € 500. The fine will be incurred once for each employee per commenced month of employment. This will have no effect on the assertion of additional claims to compensation for damages.

13. REACH Regulation

The supplier assures that he meets the requirements of the EU REACH Chemicals Regulation (Regulation (EC) No. 1907/2006 of 18. 12. 2006), REACH amendment EU 2018/1513 Annex XVII, REACH Amendment EU 2018/2005 Annex XVII, REACH Candidate List substances of 15 January 2019 in the respectively valid Version - hereinafter referred to as REACH Regulation in this case - is adhered to. If the delivered goods contain substances which are listed on the so-called "Candidate List of Substances of very High Concern" ("SVHC-List") according to REACH, the supplier is obliged to notify this immediately. If these substances are used in the products delivered to us, supplier has to inform us in writing before delivery, specifying the substance and the identification number (e. g. CAS) and a current material safety data sheet of the product to be supplied. The delivery of this products requires a separate release by us. The supplier is obliged to hold us harmless from any liability in the connection with the non-compliance with the above regulations mentioned above by the supplier or to indemnify us for damages that are caused by us from the non-compliance with the regulations by the suppliers arise or are connected with it.

14. RoHS Conformity

The supplier has complied with the RoHS II Directive according to Directive number 2011/65/EU, 2015/863/EU and 2017/2102/EU complete to fulfil. The supplier guarantees that all products comply with the requirements of the RoHS directive. The supplier is obligated to indemnify us from any liability in the related to non-compliance of the above mentioned regulations by the supplier, and compensate us for damages, caused for not complying with the regulations by supplier.

15. Conflict Minerals

The supplier shall ensure that he does not use any materials or products containing tin, tantalum, tungsten and gold and in conflict mines of the Democratic Republic of the Congo and neighbouring countries were won.
In addition, the current status of the CFSI data base applies.

16. Legal and Official Regulations

Furthermore, the supplier is responsible for the compliance with in his country, legal and official regulatory provisions for the production and distribution of the products, which he delivers to GRUNER AG

17. Duty to inform

All certificates and customer approvals of the supplier must be made available to GRUNER in the current version. The changes in the approval or certification status must be reported to the customer immediately. If the supplier receives a special customer status from a customer (OEM) or loses the QMS certificate (IATF 16949, VDA 6.1 or ISO 9001), GRUNER must be informed immediately.

18. Place of Performance

The place of performance for the delivery will be Wehingen.

19. Legal Venue

The legal venue will be Rottweil/Neckar.
This will also apply to actions on a dishonoured bill.

20. General Provisions

- 20.1 If a provision of these Conditions and the affected further agreement should be or become invalid, the validity of the remaining part of the Conditions will not be thereby affected. The Parties to the Contract will be obligated to replace the invalid provision with an arrangement that is as similar as possible to the originally intended financial outcome.
- 20.2 The contractual relationship will be governed solely by German law to the exclusion of conflict-of-law rules and the United Nations Convention on Contracts for the International Sale of Goods (CISG)
- 20.3 In addition, the following will also apply to international suppliers: Subject to further negotiations or commitments, the Supplier will be obligated to deliver to GRUNER products of the agreed nature and amount, in the agreed quality and packaging, and equipped with the agreed labelling and markings that satisfy the applicable provisions and standards under German product law, German regulations that apply to products that have been introduced, and the current state of the art on all accounts. In particular, the Supplier will ensure that the products do not deviate from this provision in a way that may result in impairment of standard German practical or economic values or GRUNER's intended usage and will otherwise be obligated to deliver products of above-average kind and quality within the limits of tolerances that are customary in the trade

