

**GENERAL TERMS AND CONDITIONS OF
PURCHASE OF THE KRAUSSMAFFEI
GROUP FOR
DELIVERIES AND SERVICES TO COMPANIES
IN THE KRAUSSMAFFEI GROUP**

1. General – Area of validity

- 1.1 All deliveries and services to companies in the KRAUSSMAFFEI Group (hereinafter called "CUSTOMER") are based on these General Terms and Conditions of Purchase. They apply to all suppliers, sellers and other service providers (hereinafter referred to as "CONTRACTOR").
- 1.2 These General Terms and Conditions of Purchase apply exclusively. Conflicting terms or terms of the CONTRACTOR deviating from these General Terms and Conditions of Purchase are not recognized by the CUSTOMER, unless the CUSTOMER expressly agrees to the application of such terms in writing. These General Terms and Conditions of Purchase also apply if the CUSTOMER accepts or pays the delivery without reservation in the knowledge of conflicting terms or terms of the CONTRACTOR deviating from these General Terms and Conditions of Purchase.
- 1.3 These General Terms and Conditions of Purchase of the CUSTOMER apply in their current version at the time of ordering, also for future orders of the CUSTOMER, without having to refer explicitly to their consideration.

2. Ordering and order confirmation

- 2.1 Orders from the CUSTOMER are effected in writing.
- 2.2 The CONTRACTOR is obligated to confirm in writing the acceptance of the CUSTOMER'S order without delay, within 2 weeks at the latest with price and time of delivery, and even if the goods are dispatched immediately.

The CONTRACTOR shall immediately inform the CUSTOMER if its delivery/service is wholly or partly subject to import or export restrictions according to German or international law.

- 2.3 The CUSTOMER retains the intellectual property rights and copyrights to all images, drawings, calculations and other documents which are transferred to the CONTRACTOR when ordering; they must not be made accessible to third parties without the express consent of the CUSTOMER, which requires the written form. They must only be used for the manufacture based on the CUSTOMER'S order; after the order is processed they must be returned to the CUSTOMER without any further request. Together with all other confidential

information, they must be treated in the strictest confidence vis-a-vis third parties; the provision of clause 10.5 shall also apply.

- 2.4 The INCOTERMS published by the International Chamber of Commerce in the version valid when the contract is concluded apply to the interpretation of trade terms.
- 2.5 The CONTRACTOR shall deal with the conclusion of the contract in confidence and may only advertise after prior and explicit consent from the CUSTOMER.
- 2.6 If the delivery item can only be used for a special customer order of the CUSTOMER and the CUSTOMER discloses this information when the contract is concluded, the CUSTOMER is allowed to cancel the contract if the implementation of the customer order does not occur for reasons not attributable to the CUSTOMER. In this case the CUSTOMER shall be reimbursed the demonstrable costs up to receipt of the rescission notice at the CONTRACTOR, i.e. not the calculated profit mark-up. The upper limit of the reimbursement is the original order value.
- 2.7 If the client of the CUSTOMER wants changes to the delivery item of the CUSTOMER, the CUSTOMER can request changes to the delivery item from the CONTRACTOR, insofar as they are reasonable or appropriate to the CONTRACTOR in terms of the type, quantity and expense. Any additional costs due to a change shall be borne by the CUSTOMER, insofar as they have been announced to the CUSTOMER in advance, been verified and are otherwise appropriate. The CONTRACTOR must also communicate in advance any impact on the delivery date.

3. Prices, invoices and payment conditions

- 3.1 The prices shown in the CUSTOMER'S order are fixed net prices. Unless otherwise agreed in writing, the price, in addition to the respective statutory value added tax (VAT), includes delivery according to INCOTERM "DAP" to the place of receipt mentioned in the order. Freight, packaging and transport insurance costs are thus borne by the CONTRACTOR. The CONTRACTOR must pack the goods in a proper manner. The CUSTOMER is responsible for the disposal of the packaging material.
- 3.2 An invoice to the CUSTOMER must contain the order number and item numbers shown in the order. An invoice may not

combine several orders. Not later than with the invoice, the CONTRACTOR must present the agreed proof of origin, supporting documents, certificates and declarations to the CUSTOMER fully completed and signed. The same also applies to VAT certificates for deliveries or services abroad and intra-Community deliveries or services. The CONTRACTOR is responsible for all consequences arising due to the non-compliance with these obligations, unless it can prove that it is not responsible for these consequences.

- 3.3 The agreed price shall be due for payment within 30 calendar days of complete delivery and performance (including handover of the documentation owed to the CUSTOMER and any agreed acceptance) and receipt of a proper invoice, unless otherwise agreed. Unless otherwise agreed, the CUSTOMER is entitled to a 3% discount on the net amount of the invoice if payment is made on the first KraussMaffei payment date (i.e., on the Thursday of an even calendar week) following the expiry of a period of 14 calendar days from the complete delivery and performance (including handover of the documentation owed to the CUSTOMER and any agreed acceptance) and receipt of a proper invoice for payment. The discount deduction is also permissible if the CUSTOMER offsets or withholds payments in an appropriate amount due to defects.
- 3.4 The CUSTOMER does not owe any maturity interest. The statutory provisions apply to a default in payment.
- 3.5 The CONTRACTOR is entitled to a right of set-off or right of retention only with respect to counterclaims that have been finally and bindingly established or that are undisputed.
- 3.6 Payments of the CUSTOMER do not imply acknowledgement of the deliveries or services as provided in the contract and are made subject to invoice verification.

4. Deadlines and missed deadlines, default of acceptance

- 4.1 A delivery period specified in the CUSTOMER'S order is binding. The receipt of the delivery at the agreed place of receipt is decisive for the punctuality of a delivery.
- 4.2 In the event of delay in delivery, the CUSTOMER reserves the right to charge the CONTRACTOR a contractual penalty no later than 10 working days after receiving the delayed delivery. The contractual penalty is 0.2% of the delivery value per calendar day, however no more than 5%. The contractual penalty is offset against any claim for compensation or damages. Further claims, particularly claims for performance, are not affected by the contractual penalty. In particular, the CUSTOMER is also entitled in the event of a delay in delivery to demand compensation for damages instead of the service

and to rescind the contract following the unsuccessful expiry of a reasonable grace period.

- 4.3 The statutory provisions apply to the occurrence of default of acceptance on the part of the CUSTOMER. However, the CONTRACTOR obliged to expressly offer its performance to the CUSTOMER even if a specific action or contribution by the CUSTOMER has been agreed upon for a specific or determinable calendar time (e.g., provision of material).

5. Transfer of risk - Documents

- 5.1 The delivery shall be effected to the head office of the CUSTOMER according to INCOTERM "DAP", if no other place of receipt is agreed in the order.
- 5.2 The shipment must be reported to the CUSTOMER in advance. The CONTRACTOR is obligated to indicate the order number and item numbers of the CUSTOMER on all shipping documents and delivery notes and the internal order number, also the weight and type of packaging. If the CONTRACTOR fails to specify this information, then the arising delays in processing shall not be the responsibility of the CUSTOMER.
- It is imperative the packaging or delivery terms of the CUSTOMER which are made available by the CUSTOMER are observed.
- 5.3 The CONTRACTOR makes available the following documents to the CUSTOMER, insofar as these are required for the implementation of the order with regard to customs facilitation and export control regulations:

- Movement certificate EUR.1 or declaration of origin on the invoice
- Movement certificate A.TR
- Supplier declaration for goods with preferential origin status acc. to DVO (EU) No. 2015/2447
- Certificate of origin from an authorized issuing body
- Export notice / other proof for VAT purposes
- Declarations for export control

Movement certificates EUR.1 and A.TR must be enclosed with the delivery/accompany the goods and must be presented at import customs clearance. WVB EUR.1 are required for CONTRACTORS in third countries with whom the EU has concluded free trade agreements. WVB A.TR are required for CONTRACTORS in Turkey. Supplier declarations and certificates of origin must be made available to the CUSTOMER upon request. Products of CONTRACTORS which merely constitute consumables (e.g. lubricants, cleaning agents, office furniture, etc.) that are not capable of delivery are excluded from declarations for export control. Export notices must be sent to the CUSTOMER immediately after the delivery has

passed over the border. This only applies to exports which the CONTRACTOR in the EU performs for the CUSTOMER.

6. Inspection of defects - Liability for defects

6.1 The CONTRACTOR is liable for ensuring the goods have the agreed quality upon transfer of risk to the CUSTOMER. The product descriptions that are a subject matter of the contract by designation or reference in the order serve as an agreement about the quality.

6.2 If the subject of the order including the packaging is substances, preparations and/or products which fall under German and European legislation on chemical substances, the market access prerequisites and the marketability including any necessary registration and compliance with all obligations to provide information with regard to these substances, preparations and/or products are a prerequisite for a defect-free delivery. In this respect, the CONTRACTOR can demand that the specific intended use is communicated so that it can fulfil its obligations to provide information. Unless otherwise indicated by the CUSTOMER in writing, the CONTRACTOR must also send the CUSTOMER information together with the shipping documents which must be provided according to German and European legislation on chemical substances. This also applies explicitly to safety datasheets acc. to art. 31 para. 3 of the EGVO 1907/2006 (REACH), as well as hazardous substances in electrical equipment and electronic components acc. to EU Directive 2011/165/EU (RoHS Directive). They are an essential component of the purchased item.

6.3 The CUSTOMER is entitled to the legal rights regarding defects unabridged; in any case the CUSTOMER is entitled at its discretion to request the CONTRACTOR to remove the defect or deliver a new item. The right to compensation for damages, in particular for compensation for damages in place of delivery or performance, is expressly reserved.

6.4 The place of performance for the supplementary performance is the site of the defective object, provided that this was disclosed to the CONTRACTOR when the contract was awarded.

6.5 The CUSTOMER is entitled to remove the defect at the expense of the CONTRACTOR, if the CONTRACTOR is behind schedule with the remedy.

6.6 The statute of limitation is 36 months, calculated from the transfer of risk, provided that legal regulations do not stipulate a longer statute of limitations.

6.7 The CUSTOMER is not obliged to inspect the goods or make special inquiries about any defects upon conclusion of the

contract. Partially deviating from § 442 para. 1 sentence 2 German Civil Code (BGB), the CUSTOMER is, therefore, entitled to claims for defects without restriction even if the defect remained unknown to the CUSTOMER at the time of conclusion of the contract due to gross negligence.

6.8 The CUSTOMER is obligated to check the delivered goods within a reasonable time for any deviations with regard to quality and quantity; the complaint is deemed to be received in good time if it arrives at the CONTRACTOR no later than 3 working days from the complete receipt of goods at the agreed place of receipt or, in the case of hidden defects from their discovery .

7. Spare parts

The CONTRACTOR undertakes to deliver fully compatible replacement systems and/or spare parts for a period of 15 years after delivery at reasonable and competitive prices and other terms. If the CONTRACTOR is no longer in a position to continue to supply the spare parts following expiry of this period, then it shall immediately inform the CUSTOMER thereof in writing and give the CUSTOMER an opportunity to place a final order.

8. Product liability – Indemnity – Liability insurance cover – Safety briefing

8.1 Insofar as the CONTRACTOR is responsible for a product defect, it is obligated to indemnify the CUSTOMER from claims for damages from third parties on first demand to the extent that the origin lies within the CONTRACTOR'S scope of control and organization and it is liable vis-a-vis third parties.

8.2 Within the framework of its liability for claims for damages pursuant to clause 8.1., the Supplier is also obligated to reimburse the CUSTOMER any expenses resulting from or in connection with a recall by the CUSTOMER. The CUSTOMER shall inform the CONTRACTOR about the content and scope of the recall measures to be performed – to the extent possible and reasonable – and grant it the opportunity to make a statement. Other legal claims shall remain unaffected thereby.

8.3 The CONTRACTOR undertakes to maintain product liability insurance with cover of € 10 million per personal injury and material damage and to provide evidence thereof to the CUSTOMER upon request; if the CUSTOMER is entitled to assert further claims for damages, then these claims shall remain unaffected thereby.

8.4 The CONTRACTORS who perform assembly, removal, service or testing work at the CUSTOMER'S or its clients' premises must perform an external safety briefing at regular intervals with the coordinator of the CUSTOMER. The necessary measures

are defined jointly in a mutual risk assessment between the coordinators of the CONTRACTOR and CUSTOMER. The CONTRACTOR shall ensure that its employees who perform the aforementioned work have the safety information or have received instruction from their supervisors. If this cannot be demonstrated, the instruction is performed before the implementation of the work. The costs of the waiting time and instruction period of the staff shall be borne by the CONTRACTOR.

9. Industrial property rights

- 9.1 The CONTRACTOR guarantees that no third-party rights are violated in connection with its delivery.
- 9.2 If a claim is asserted against the CUSTOMER by a third party for a reason mentioned in clause 9.1, then the CONTRACTOR is obligated to indemnify the CUSTOMER from these claims on first demand; the CUSTOMER is not entitled to make any agreements with the third party – without the consent of the CONTRACTOR – in particular to make a compromise or settlement.
- 9.3 The indemnity obligation of the CONTRACTOR relates to all expenses which arise inevitably from or in connection with the claim by a third party.
- 9.4 The statute of limitation is 36 months, calculated from the transfer of risk.

10. Retention of title – Provision – Tools – Confidentiality

- 10.1 If the CUSTOMER supplies parts to the CONTRACTOR, the CUSTOMER retains ownership of said parts. Processing or restructuring by the CONTRACTOR is performed for the CUSTOMER. If these reserved goods are processed with other objects not belonging to the CUSTOMER, then the CUSTOMER acquires co-ownership of the new item in relation to the value of its reserved goods (purchase price plus VAT) to the other processed objects at the time of processing.
- 10.2 If the item provided by the CUSTOMER is inseparably mixed with other objects not belonging to the CUSTOMER, then the CUSTOMER acquires co-ownership of the new item in relation to the value of the reserved item (purchase price plus VAT) to the other mixed objects at the time of the mixing. If the mixing is effected in a manner such that the item of the CONTRACTOR is viewed as the main component, then it shall be agreed that the CONTRACTOR transfers coownership to the CUSTOMER on a proportionate basis; the CONTRACTOR shall retain sole ownership or co-ownership for the CUSTOMER.

- 10.3 The CUSTOMER retains ownership of tools; the CONTRACTOR is obligated to use the tools solely for the manufacture of the goods ordered by the CUSTOMER. The CONTRACTOR is obligated to insure the tools belonging to the CUSTOMER against fire and water damage and theft at their reinstatement value at its own expense. At the same time, the CONTRACTOR now assigns all claims for compensation from this insurance to the CUSTOMER; the CUSTOMER hereby accepts the assignment. The CONTRACTOR is obligated to duly perform any necessary maintenance and inspection work, as well as all repairs and servicing, to the tools of the CUSTOMER at its own expense.

- 10.4 Provided that the security interests to which the CUSTOMER is entitled acc. to clause 10.1. and/or clause 10.2. do not exceed the purchase price of all not yet paid reserved goods of the CUSTOMER by more than 10%, the CUSTOMER is obligated at the request of the CONTRACTOR to release the security interests at its discretion.

- 10.5 The CONTRACTOR is obligated to treat in the strictest confidence all images, drawings, calculations and other documents and information it has received. They should only be disclosed to third parties with the express consent of the CUSTOMER, which requires the written form. The duty of confidentiality also applies after execution of this contract; it expires only if and insofar as the production know-how contained in the transferred images, drawings, calculations and other documents becomes common knowledge. All data which the CONTRACTOR receives from the CUSTOMER during the course of the collaboration must be treated in the strictest confidence.

11. Assignment of claim

The assignment of payment claims of the CONTRACTOR against the CUSTOMER requires its prior consent in writing.

12. Subcontractors

The CONTRACTOR has the right to hire subcontractors/suppliers. Upon request the CONTRACTOR shall disclose the hired subcontractors/suppliers to the CUSTOMER.

13. KRAUSSMAFFEI Supplier Code of Conduct– Social responsibility

- 13.1 The KRAUSSMAFFEI Supplier Code of Conduct in its version valid at the conclusion of the contract will become part of the contract. The CONTRACTOR is also obligated to comply with respective valid KRAUSSMAFFEI Supplier Code of Conduct. The respective valid KRAUSSMAFFEI Supplier Code of Conduct is available at [Global Procurement - KraussMaffei](#).

- 13.2 The CONTRACTOR must observe and comply with the ten principles of the United Nations Global Compact Initiative, which is available at www.unglobalcompact.org.
- 13.3 The CONTRACTOR is also obligated to contractually pass on the principles and requirements of the KRAUSSMAFFEI Supplier Code of Conduct (clause 13.1) as well as the United Nations Global Compact Initiative (clause 13.2) to their sub-suppliers, sub-contractors and other business partners.
- 13.4 If the CONTRACTOR has violated the provisions of clauses 13.1, 13.2 and/or 13.3, the CONTRACTOR has to immediately notify the CUSTOMER of that violation, as well as the steps planned and taken to investigate and remedy such violation. The CUSTOMER is authorized to verify the compliance with the provisions of clauses 13.1, 13.2 and/or 13.3 annually and on an ad hoc basis if there is reason to suspect that the provisions of clauses 13.1, 13.2 and/or 13.3 have been violated, or for the purpose of certifications, either by itself or by third parties commissioned by the CUSTOMER. Such verification may also take place on-site following a notification. The CONTRACTOR has to answer inquiries regarding the compliance with the aforementioned provisions within a reasonable amount of time.
- 13.5 If the CONTRACTOR has violated the provisions of clauses 13.1, 13.2, 13.3 and/or 13.4, the CUSTOMER, notwithstanding any other rights, may withdraw from or terminate the contract if, following a reasonable deadline, the violation has not been remedied.

14. Data protection

The CONTRACTOR must ensure that the CONTRACTOR and all of its employees, as well as any third parties engaged by the CONTRACTOR to provide the services, comply with all legal provisions on data protection, and that, in particular, personal

data is only processed in accordance with the legal requirements of the respective countries, in which that data is processed as well as those, in which the CUSTOMER's registered offices are located. Prior to providing the services, the CONTRACTOR will inform its employees and other third parties of the legal requirements and oblige such persons to maintain data secrecy as required under data protection law.

15. Place of performance

Provided that no other place of receipt stems from the order, the head office of the CUSTOMER is the place of performance for deliveries and services of the CONTRACTOR. The place of performance for the payments is the head office of the CUSTOMER.

16. Place of jurisdiction

Insofar as this does not conflict with mandatory law, the exclusive place of jurisdiction for all disputes arising out of or in connection with the contractual relationship is the headquarters of the CUSTOMER. However, the CUSTOMER is also entitled to bring an action at the headquarters of the CONTRACTOR.

17. Applicable law/contract language

- 17.1 These General Terms and Conditions of Purchase and all legal relationships between the CUSTOMER and the CONTRACTOR are governed by the laws of the Federal Republic of Germany. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- 17.2 The contract language is German.