

General Terms and Conditions of Purchase (valid from September 2020)

1. Scope of application

These General Terms and Conditions of Purchase shall apply to deliveries and services to us unless otherwise agreed. The supplier's terms and conditions of sale shall not be recognised even if we do not expressly object to them again after receipt by us.

2. Order

Delivery contracts (order and acknowledgement) and delivery schedules as well as their amendments and supplements must be in writing. Call-offs can also be made by e-mail.

3. Delivery Dates and Delivery Periods / Delivery Delay

- 3.1 Agreed deadlines for deliveries and services are binding. The receipt of the goods by us shall be decisive for compliance with the delivery date or delivery period. The supplier must make the goods available for us in good time, taking into account the usual time for loading and transport. If delays are to be expected or have occurred, you must notify us immediately in writing.
- 3.2 Call-offs are binding with regard to type and quantity of the goods as well as to the delivery time; partial deliveries require our approval.

If, in case of a delivery delay, the delivery or service is not even carried out within a grace period set by us, we shall be entitled, even without warning, to refuse acceptance, to withdraw from the contract or to claim compensation for non-performance. We are also entitled to withdraw from the contract if the supplier is not responsible for the delay.

- 3.3 We reserve the right to claim an agreed contractual penalty for non-performance (§ 341 BGB).

- 3.4 In case of a delivery delay, the supplier is obliged to compensate us for the damage caused by the delay. This does not apply to loss of profit and damages from business interruption. In case of slight negligence the compensation shall be limited to additional freight costs and costs for the delivery period extension. After the fruitless setting of a grace period or in case of the loss of interest in the delivery it shall be limited to the additional expenses for covering purchases.

- 3.5 The risk of accidental loss of the goods shall be borne by the supplier up to the acceptance of the goods at our premises. Costs for insurance, packaging, freight and cartage shall only be borne by us if this has been expressly agreed in advance; transport damage shall be borne by the supplier.

4. Processing of deliveries

- 4.1 Each delivery shall be accompanied by a delivery note stating our order number as well as the description of the contents according to type and quantity.
- 4.2 You may only place subcontracts with our consent, if subcontracts involve other parts than marketable components.
- 4.3 For equipment, a technical description and instructions for use shall be supplied free of charge. In case of software products the delivery obligation shall only be fulfilled when the complete documentation (for system and users) has also been handed over.

5. Price

- 5.1. The prices are fixed prices. They include all expenses in connection with the deliveries and services to be provided by you.
- 5.2. If the order does not include prices, these must be stated in your order confirmation, but in any case still require our consent. Tacit agreement to the prices stated can be assumed if we do not object within 10 working days, unless the prices stated subsequently prove to be incorrect. Even without subsequent reference, the prices of offers available to us shall apply.

6. Invoice and Payment

- 6.1 Invoices are to be sent to us, stating the order number and all associated documents and data, exclusively in PDF format by e-mail to: account@karlbuch.de after delivery / performance has been carried out.
- 6.2 The terms of payment are negotiated, determined and confirmed with the supplier. We shall be obliged to make payment only if the delivery/service is faultless and in accordance with the order.
- 6.3 The payment period shall commence at the earliest upon receipt of the proper invoice in accordance with §14 of the German Value Added Tax Act, but not before receipt and technical acceptance of the ordered goods or acceptance of the service. The date of receipt

of the invoice shall be the date of the receipt stamp. In case of acceptance of early deliveries, the due date shall be based on the agreed delivery date.

- 6.4 Payments do not imply acceptance of the delivery or service being in accordance with the contract.
- 6.5 In the event of defective delivery, we shall be entitled to withhold payment on a pro rata basis until proper performance.
- 6.6 The supplier shall not be entitled to assign its claims against us or to have them collected by third parties without our prior written consent, which may not be unreasonably withheld. We are entitled to set off counterclaims, even if these are not related to the placed order.

7. Retention of title

- 7.1 If advance payments have been agreed, it is already stipulated that the supplier shall transfer to us co-ownership of the ordered item in relation to the advance payment made at the time of receipt of the payment. The supplier shall store the item co-owned by us for us free of charge. The supplier is obliged to store this item separately from others and not to mix or mingle it with other items. The supplier may neither sell nor pledge or otherwise dispose of items in our co-ownership. We must be informed immediately of any seizures or confiscations.
- 7.2 Ownership of the delivered goods shall pass to us after payment. Any extended or expanded retention of title is excluded.

8. Safety, Environment

- 8.1 The deliveries and services must comply with the safety and accident prevention regulations valid for us at the time - in particular the writings of the law on technical work equipment (Equipment Safety Act) as well as the law on protection against hazardous substances (Chemicals Act), the DIN regulations and the workplace ordinance, the necessary permits and other information - and must be checked by the supplier in this respect. DIN standards and other technical regulations and specifications to which express reference is made in our order shall be deemed to be warranted properties.
- 8.2 The supplier is obliged to determine and comply with the current status of the directives and laws applicable to its components with regard to substance restrictions. The supplier is obliged not to use prohibited substances. Avoidant and hazardous substances according to the applicable laws and directives shall be indicated in the specifications. If applicable, the safety data sheets shall be submitted with the offers already and, in the case of the respective first delivery, with the delivery note (at least in German or English). We must be informed immediately of any infringements of substance restrictions and of the delivery of prohibited substances.
- 8.3 In case of deliveries and provision of services, the supplier alone is responsible for compliance with the accident prevention regulations. Any protective devices required in accordance therewith as well as any instructions of the manufacturer shall be supplied free of charge.
- 8.4 In the case of deliveries, the supplier shall comply with the applicable regulations of the European Union and the Federal Republic of Germany, e.g. the REACH Regulation (Regulation EC No. 1907/2006). We shall be informed immediately by the supplier of relevant changes to the goods, to the ability to deliver, to the possibilities of use or to the quality caused by statutory regulations, in particular by the REACH Regulation. Appropriate measures shall be agreed with us in individual cases. The same applies as soon as and as far as the supplier recognises or should have recognised that such changes could occur. There is no obligation on our part (downstream user) to carry out a (pre-)registration of the delivered goods.

9. Notice of Defects / Inspection of Incoming Goods / Quality

- 9.1 The purchaser shall notify the supplier in writing without delay of any defects of the delivery as soon as they are discovered in the ordinary course of business. In this respect, the supplier waives the objection of late notification of defects.
- 9.2 Acceptance of the goods shall be subject to inspection for correctness and suitability and in accordance with our quality specifications. The payment of the purchase price does not constitute an acknowledgement that the delivery is free of defects and in accordance with the regulations.
- 9.3 The supplier must comply with the recognised technology rules, the safety regulations and the agreed technical data for his services. Modifications of the delivery item require a prior written consent of the purchaser.
- 9.4 The contracting parties shall inform each other about possible quality improvements. Upon request the Supplier shall receive information on relevant safety regulations from the Purchaser.

10. 10 Warranty / Liability for Defects

- 10.1 In the event of a delivery of defective goods, the purchaser may - if the respective statutory requirements and the requirements set out below are met and unless otherwise agreed - demand the following:

- 10.2 Prior to manufacturing (processing or installation), the purchaser shall first give the supplier the opportunity to sort out defective goods and to remedy the defect or to make a subsequent (replacement) delivery, unless this is unreasonable for the purchaser. If the supplier is unable to do so or fails to do so immediately, the customer may withdraw from the contract without setting a further deadline and return the goods at the supplier's risk. In urgent cases, he may, after agreement with the supplier, remedy the defect himself or have it remedied by a third party. The supplier shall bear any costs arising in this connection. If the same goods are repeatedly delivered defective, the purchaser is entitled to withdraw from the contract after a written warning in the event of repeated defective delivery, also for the unfulfilled delivery scope.
- 10.3 If the defect is detected only after production start, despite compliance with the obligation under section 11.1, the customer may
- demand supplementary performance and reimbursement of the transport costs and dismantling and installation costs (labour costs; material costs if agreed) necessary for the purpose of supplementary performance in accordance with section 439 sub-sections 1, 3 and 4 BGB or
 - reduce the purchase price.
- 10.4 In case of a culpable duty breach going beyond the delivery of defective goods (e.g. in case of an obligation to provide information, advice or examination), the purchaser may claim compensation for the resulting consequential damage caused by a defect. The purchaser may also claim compensation for the consequential damage caused by a defect to be reimbursed by the purchaser to his customer in accordance with the law as set out in Clause 13. Consequential damage is the damage suffered by the purchaser as a result of the delivery of defective goods to other legal assets than the goods themselves. The purchaser shall only have the right to assert further claims for expenses and damages due to the delivery of defective goods under section 437 of the German Civil Code (BGB) or directly under the provisions stated therein if this has been contractually agreed.
- 10.5 Claims for defects shall not arise if the defect is attributable to violation of operation, maintenance and installation instructions, unsuitable or improper use, faulty or negligent handling and natural wear as well as interventions in the delivery item carried out by the customer or third parties.
- 10.6 We are entitled to the statutory warranty claims in full.
- 10.7 The warranty shall start after acceptance or commencement of use and again after removal of any complained defects. The warranty period is 2 years, unless otherwise specified. The suspension and recommencement of the limitation period shall be governed by the statutory provisions; in the event of several attempts to remove the defect, the limitation period shall be suspended for at least a further 3 months, calculated from the last attempt to remedy the defect. The warranty covers all costs associated with the removal of defects, including dismantling, return transport and similar expenses. Necessary examinations shall be carried out at our works at our request. The return of deliveries which are the subject of a complaint shall be at the supplier's expense and risk.
- 10.8 In the case of defective deliveries, claims of the purchaser under product liability law, tort and management without authority shall remain unaffected by the provisions itemised under number twelve. Guarantees of quality and durability must be expressly designated as such in detail in writing.

11. Liability

- 11.1 In case of subcontracted orders, in particular in the case of machining of castings, the contractor must exercise the greatest care and adhere precisely to our instructions. In the event of any ambiguity or doubt, it is imperative that we are consulted. By accepting a subcontract order, the contractor confirms that he is able to fulfil with his mechanical equipment the requirements demanded by us.
- 11.2 Unless a different liability provision is made elsewhere in these terms and conditions, the supplier shall only be obliged to compensate for the damage incurred at the purchaser directly or indirectly as a result of a defective delivery, due to violations of official safety regulations or for any other legal reasons attributable to the supplier as follows:
- 11.3 The obligation to pay damages shall in principle only apply if the supplier is at fault for the damage caused by him.
- 11.4 If a claim is made against the purchaser on the basis of strict liability under law not covering third parties, the supplier shall be liable to the purchaser in the extent as the supplier would also be liable directly. The principles of Section 254 of the German Civil Code (BGB) shall apply to the compensation of damages between supplier and buyer. This shall also apply in the event of a direct claim against the supplier.
- 11.5 The obligation to pay compensation is excluded as far as the purchaser has effectively limited his liability towards his customer. The purchaser shall endeavour to agree upon limitations of liability in legally permissible dealings also in favour of the supplier.
- 11.6 Claims of the purchaser are excluded if the damage is attributable to violations of the conditions, maintenance and installation regulations, unsuitable or improper use, faulty or negligent handling, natural wear or faulty repair attributable to the customer.
- 11.7 The supplier shall be liable for measures taken by the purchaser to avoid damage (e.g. recall action) insofar as he is legally obliged to do so.

- 11.8 The purchaser shall inform and consult the supplier immediately and comprehensively if he wishes to make a claim against the supplier in accordance with the above provisions. He shall give the supplier the opportunity to investigate the case of damage. The contracting parties shall agree upon measures to be taken, in particular in case of settlement negotiations.
- 11.9 The principles for limiting liability as set out in section 3.4 shall apply accordingly if the supplier has no or insufficient insurance.

12. Secrecy / Provision of Material

- 12.1 The contracting parties undertake to treat as business secrets all commercial and technical details which are not evident and which become known to them through the business relationship.
- 12.2 Drawings, standard sheets, printing templates, gauges, models, moulds, samples, profiles, tools and all other documents handed over to the supplier for the preparation and execution of the order as well as the know-how embodied therein shall remain our sole property and may not be passed on to third parties or used for purposes other than the contractual purposes without our written consent. They are to be kept strictly secret and must be returned immediately upon request. The supplier has to thoroughly take care, store and insure them against damage and loss. Repairs and modifications require our written consent. The reproduction of such items is only permitted within the scope of operational requirements and copyright provisions.
- 12.3 Material provided by us shall remain our property and shall be stored by you separately from your other property and marked as our property. It may only be used for the execution of our order. Damages to the material provided shall be replaced / compensated by the supplier.
- 12.4 If the provided material is processed or transformed, this activity shall be carried out for us. We shall immediately become the owner of the new items created in the process. If the provided material constitutes only a part of the new items, we shall be entitled to co-ownership of the new items in the proportion corresponding to the value of the provided material contained therein.
- 12.5 Subcontractors shall be obliged accordingly.
- 12.6 The contractual partners may only advertise their business relationship with us prior to written consent.

13. Place of performance, place of jurisdiction

The place of performance is the delivery address stated in each case. The place of jurisdiction is Siegen.

14. Product liability

In the event that a customer or third party asserts a claim against us on the basis of product liability, the supplier shall be obliged to indemnify us against such claims, if and to the extent that the damage was caused by a defect in the product supplied by the supplier. In such cases, the supplier shall bear all costs and expenses, including the costs of legal action or a recall. We will coordinate the content and scope of such a recall with the supplier as far as possible and reasonable: as a rule, the statutory regulations shall apply.

15. Safety Regulations as an Independent Guarantee

- 15.1 The contractor undertakes to comply with all safety regulations valid at the time of delivery as well as with the respective company safety regulations. He guarantees to comply with them. Prior to start work on the premises of the client, agreement must be obtained with the client on the necessary safety measures.
- 15.2 The contractor's scope of delivery must comply with the requirements of the law on technical work equipment (Equipment Safety Act) and other relevant laws and standards (e.g. DIN and VDE standards); the contractor has to guarantee this as well.
- 15.3 The scope of delivery must comply with the test principles for occupational safety of the German Federation of Institutions for Statutory Accident Insurance and Prevention (Hauptverband der gewerblichen Berufsgenossenschaften) valid at the time of delivery. The contractor guarantees and vouches for the fact that the scope of delivery complies with the above mentioned safety regulations. In case of non-compliance with these regulations, the contractor undertakes to comply at his own expense with any requirements of the employers' liability insurance association or other supervisory authorities that have to check compliance with the safety regulations, without delay.
- 15.4 The contractor undertakes to indemnify the client against any costs and to compensate any damage resulting from non-compliance with the guarantees assumed in the above paragraphs 1 to 3.

16. Environmental protection

- 16.1 The scope of delivery must comply with all environmental protection regulations in force at the time of delivery or performance, in particular the applicable requirements of the Federal Immission Control Act, the Closed Substance Cycle Waste Management Act, the Water Resources Act, the Chemicals Act, the REACH Regulation, the laws of the Federal States and the regulations issued in relation to these laws.

- 16.2 It must be especially ensured that the client can fulfil its obligations when using the delivery item as intended.
- 16.3 In order to assess the overall noise level, the contractor shall provide the client with project-related data on the sound power level of the delivery item in good time.
- 16.4 If materials are used that are subject to a separate disposal obligation, the client shall be informed about this in writing by the contractor when concluding the contract. If he fails to do so, he shall reimburse the client for the disposal costs.

17. Energy Efficiency

- 17.1 The contractor is obliged to consider the objective of increasing energy efficiency. When performing his task, he shall ensure that the highest energy-efficient, environmentally friendly machines and equipments are used. He is obliged to orientate the behaviour of his employees in accordance with these requirements.
- 17.2 The contracting parties understand energy efficiency to be the measure of the energy expenditure to achieve the specified benefit. A process is only considered efficient if the agreed goal is achieved with minimum energy expenditure. (minimum principle)
- 17.3 The contractor acknowledges that the client will consider the energy consumption of the ordered items for the purpose of evaluating the procurement. The client will in particular take into account the minimum principle when selecting products. The contractor shall observe the minimum principle for the manufacture and assembly of the delivery items and only use equipment that ensures the highest possible level of energy efficiency. The client shall support the contractor in this respect within the scope of his knowledge and possibilities.
- 17.4 The contractor undertakes to require his employees to comply with the minimum energy principle.
- 17.5 Furthermore the contractor undertakes:
- To report visible and audible leaks (compressed air, false air, etc.) to the client.
 - When using the factory compressed air network, to pay attention to the tightness of hose and pipe connections, couplings and slides. This applies to the contractor's equipment as well as the client's plant network. The contractor shall notify the client immediately of any leaks.
 - When using tools that consume energy (e.g. technical gases, oil, compressed air, electricity, water, light, etc.), to ensure that they are only used for as long as they are required for the performance of the work task.
 - When using tools that require energy (e.g. technical gases, oil, compressed air, electricity, water, light, etc.), make sure that the tool is in perfect condition to grant optimal use of the energy. If there is a choice of different tools / equipment, the more efficient one should be used.

18. Supplier Code of Conduct

- 18.1 The Supplier Code of Conduct of Karl Buch Walzengießerei GmbH & Co.KG sets the following expectations for the Karl Buch supplier base:
- 18.2 Working conditions/employees
- Suppliers shall not use child labour at any stage of the manufacturing process.
 - Suppliers are requested to observe the recommendation of the ILO conventions (www.ilo.org/berlin) on the minimum age for workers.
 - Remuneration and fringe benefits should comply with the fundamental principles on minimum wages, overtime and legally mandated fringe benefits.
 - No form of forced or compulsory labour should be used and workers must be free to terminate employment with reasonable notice.
 - Suppliers are expected to respect the right of workers to freedom of association and the right of workers to collective bargaining, to the extent permitted by law.
 - Workers should be provided with safe working conditions and a healthy working environment that meet at least applicable occupational health and safety standards.
- 18.3 Environmental standards

- Suppliers' operations shall be conducted with respect for the environment and within the framework of all relevant laws and regulations of the country concerned.

- All products and services shall be supplied and provided in accordance with environmental, quality and safety standards as specified in the relevant sections of the contract and shall be safe for their intended use.

18.4 Business ethics

- The business must be conducted in a reputable manner. No payments, benefits, gifts, hospitality or other advantages may be offered or granted to employees of Karl Buch or third parties with the aim to influence the respective employee of Karl Buch or the third party in the way they perform their duties. Accordingly, Karl Buch will not offer or grant any such payments, benefits, gifts, hospitality or other advantages to any supplier with the aim to influence the relevant supplier in the way he performs his duties.

- Human rights must be respected and any form of harassment or discrimination against employees is unacceptable. This includes, but is not limited to, discrimination based on gender, ethnic origin, skin colour, religion, sexual orientation, disability or age.

18.5 Concluding Comments

- Karl Buch's suppliers are expected to demand that the principles of this Supplier Code of Conduct are also observed by their direct suppliers and to carefully check whether these principles are respected in their particular supply chain.

- The implementation of these standards requires a long-term learning and development process. We will work with our suppliers towards full compliance with these principles and will continuously review and revise them, if necessary.

- In case of refusal to comply with these principles, we reserve the right to take further steps, which may lead to the termination of the business relationship.

19. Force Majeure

Force majeure, industrial disputes, riots, official measures and other unforeseeable, unavoidable and serious events shall release the contractual partners from their performance obligations for the disruption period. This shall also apply if these events occur at a time when the concerned contractual partner is behind schedule. The contractual partners are obliged to provide the necessary information without delay within the scope of what is reasonable and to adapt their obligations to the changed circumstances in good faith.

20. Shipping Address / Delivery Times

Karl Buch Walzengießerei GmbH & Co. KG
Auf den Hütten 7
57076 Siegen

Truck delivery times:

- a) Monday-Thursday: 6.00 a.m. - 1.00 p.m.
- b) Friday: 6.00 - 11.00 a.m.