

Terms and conditions of purchase

Unless separate agreements have been reached, our orders are subject to the following conditions:

1. General information

- 1.1. Our terms and conditions of purchase shall apply exclusively; we shall not recognise terms and conditions from the supplier that conflict with or deviate from our terms and conditions of purchase unless we have explicitly confirmed their applicability in writing. Our terms and conditions of purchase shall also apply in the event that we accept delivery of products and services from the supplier or pay for them in the knowledge that the supplier's terms and conditions conflict with or deviate from our terms and conditions of purchase (hereinafter: Object of the Agreement).
- 1.2. Our terms and conditions of purchase shall also apply for all future business with the supplier.

2. Conclusion of the contract and amendments to the contract

- 2.1. Orders, statements and delivery schedules, and changes and additions thereto, must be in writing. Orders and delivery schedules may also be made by electronic data interchange.
- 2.2. Verbal agreements prior to or during conclusion of a contract must be confirmed by us in writing in order to be valid. Paragraph 2.1 sentence 2 shall apply accordingly.
- 2.3. Verbal agreements after the conclusion of the contract, in particular subsequent changes and additions to our orders, agreements and our terms and conditions of purchase – including this written clause – as well as ancillary agreements of any kind, shall also require our written confirmation to be valid.
- 2.4. Quotations from the supplier shall be binding and free of charge, unless otherwise expressly agreed.
- 2.5. If the supplier does not accept the order within two weeks of receipt, we shall no longer be bound by the order. Delivery schedules shall become binding within five working days of receipt of them if the supplier does not raise any objection.

3. Documentation for ordering

- 3.1. Documents and items, such as drawings, parts lists, calculations, models, tools, devices, etc., that we provide or pay for in the execution of an order shall remain or become our property; they shall be kept confidential and handed over to us after execution of the order without any special request from us. The supplier shall be liable for loss or damage until such time as they are properly returned and if they are used improperly.
- 3.2. Extracts from, and reproductions of, the documents and the items mentioned may only be given to subcontractors with our prior consent, unless disclosure is indispensable for the execution of the order. In such cases, the subcontractor must be subject to the above duty of confidentiality.

4. Prices and terms of payment

- 4.1. The prices agreed are fixed and, unless otherwise agreed in the contract, carriage shall be deemed to be paid at the place of fulfilment, delivery duty paid, and packaging included. In addition, INCOTERMS shall apply.
- 4.2. Price determination is based on the current metal and alloy surcharges customary for the particular sector of industry on the date of order placement.

- 4.3. Frame contracts are based on monthly call-offs at usual market prices.
- 4.4. Unless otherwise specified in a separate agreement, payment shall be made within 14 days of receipt of invoice and goods, less 3% discount, or within 30 days without deductions.
- 4.5. Agreed payments in instalments shall be payable when requested at the earliest.
- 4.6. During any period where the supplier is behind schedule in delivering its services or where we are entitled to warranty claims against it, our payment obligations shall be deemed to have been deferred by a reasonable amount.

5. Environmental protection and accident regulations

- 5.1. With regard to the delivery item, the supplier shall be obliged to take all precautions necessary with regard to protection of the environment and the prevention of accidents, and to take into account all official and legal requirements. We shall be entitled to demand a certificate from the relevant employer's liability insurance association, which must show that all accident prevention regulations have been adhered to.
- 5.2. The supplier shall be obliged to comply with the Packaging Ordinance of 12/06/1991 – in its current version. We shall only accept transport packaging which, within the meaning of this Ordinance, is regarded as recyclable material. Packages shall be labelled with the symbols of the generally accepted and recognised recycling systems (e.g., DSD, RESY, RVT). Failure to comply with this obligation shall mean that we shall be entitled to return the packaging to the supplier free of charge.

6. Delivery item

The delivery item must be suitable for its intended purpose and must meet the latest available technological standards. If standards exist for the delivery item and/or its replacement parts, these must be complied with in the following order: accident prevention requirements, DIN standards, VDE standards, national regulations, EU-regulations (e.g. EG 1907/2006 REACH, 2011/65 RoHS), EU-directives and others. The supplier must obtain our written consent for any divergence from a standard or from the order of precedence in any individual case. The supplier's warranty obligation shall not be affected by the granting of our consent.

7. Delivery deadlines and delay

- 7.1. Partial deliveries and/or deliveries before the agreed date shall require our prior approval.
- 7.2. Agreed dates and periods shall be binding. The determining factor for compliance with the delivery date or delivery period shall be the moment we take receipt of the goods.
- 7.3. If the supplier has taken on installation or assembly, the supplier shall bear all necessary ancillary costs, such as travel expenses, provision of tools and daily allowances, subject to agreements to the contrary.
- 7.4. If agreed deadlines are not met, then statutory provisions shall apply. The supplier must notify us immediately if it foresees difficulties in terms of production, supply of primary material, compliance with the delivery date, or similar circumstances that may prevent it from completing the delivery on time or may affect the quality of the delivery.
- 7.5. If the supplier misses the delivery deadline or does not fulfil the order properly, it shall pay a contractual penalty of 1% of the net invoice amount for each week or part

thereof where the deadline is missed, but no more than 5% of this sum, unless a higher contractual penalty has been stipulated in a separate contract. Payment of the contractual penalty shall not affect the obligation to fulfil the services specified in the contract or to compensate us for any possible future damage.

- 7.6. The unconditional acceptance of delayed delivery or service shall not constitute a waiver of compensation claims due to us for the delayed delivery or service, including claims for the contractual penalty. This shall apply until full payment of the fee owed by us for the delivery and service concerned.
- 7.7. In respect of quantities, weights and measures, the values determined in the goods inwards inspection shall be decisive, subject to further inspection.
- 7.8. In addition to the right to use software provided as part of the delivery to the extent permitted by law (sections 69a et seq. of the German Act on Copyright and Related Rights [UrhG]), including its documentation, we shall also have the right to use it with the agreed features and in the manner required for the use of the product in accordance with the contract. We may also make a back-up copy without explicit agreement.

8. Force majeure

Force majeure, labour disputes, interruptions to business without fault, riots, official actions, and other unavoidable events, shall entitle us – without prejudice to our other rights – to withdraw wholly or partially from the contract, provided that they are not of insignificant duration or result in a significant reduction in our requirements.

9. Shipping

- 9.1. Our order codes and order numbers must always be repeated in the documents relating to our order (order confirmation, delivery note, freight documents, invoices, etc.).
- 9.2. Delivery notes and invoices must be submitted in duplicate.
- 9.3. Higher costs and expenses that occur as a result of deviation from the normal shipping procedure or as a result of deviation from the required shipping method (road, rail or similar) shall only be recognised by us if this has been agreed in writing. This shall be especially true if goods have to be shipped by express train because of a missed deadline.
- 9.4. All shipments are to be dispatched with carriage paid and no additional costs. The transport fee shall be borne by the supplier. Our shipping instructions are to be followed exactly.
- 9.5. Unless otherwise agreed in a separate contract, the supplier shall bear the labour and material costs for shipping, shipping documents, standard packaging and transport insurance.
- 9.6. The supplier shall be liable for the consequences of an incorrect consignment declaration. Upon dispatch of each individual shipment, a dispatch note must be submitted immediately.
- 9.7. If the shipping documents do not contain information about the place of receipt, the relevant department, the order codes and order numbers, all additional costs resulting therefrom shall be borne by the supplier.

10. Warranty

- 10.1. Acceptance of the delivery item shall take place following checks that the item is free from defects, in particular that it is the correct item, is complete and is fit for purpose.

We have the authority to examine the contractual object when and as soon as this is possible in the ordinary course of business; any defects discovered shall be reported by us immediately after discovery. The supplier shall waive any objection to late notification of defects if it delivers parts whose defects can only be determined during the course of production, and possibly not until the last stage of the production. Production costs incurred up to the point where the defect is discovered shall be borne by the supplier.

- 10.2. The statutory provisions on defects in quality and title shall apply unless otherwise provided below.
- 10.3. We shall have the right to choose the type of replacement order. The supplier shall have the right to refuse our type of replacement order under the conditions in section 439 (2) of the German Civil Code (BGB).
- 10.4. If the supplier does not immediately begin to remedy the defect after a request from us to remedy the defect, we shall have the right, in urgent cases, in order to avert serious danger or prevent major damage in particular, to do so ourselves or have it done by a third party at the supplier's expense.
- 10.5. Claims for material defects shall lapse after two years, unless the item has been used in accordance with its intended purpose for construction work and has thereby been caused to be defective. The period of limitation for claims for material defects shall begin with the delivery of the contractual object (transfer of risk).
- 10.6. For parts of the delivery that are reconditioned or repaired by the supplier within the period of limitation, the period of limitation shall begin again at the time at which the supplier has fully fulfilled our requests for a replacement order.
- 10.7. If we incur costs arising from the defective delivery of the contractual object, particularly transport, travel, labour and material costs or costs for incoming inspection which exceed the normal amount, these costs shall be borne by the supplier.
- 10.8. If, as a result of the defectiveness of the contractual object delivered by the supplier, we withdraw products that we have manufactured and/or sold, or if the purchase price is reduced as a result, or if a claim has been made against us in any other way because of it, we reserve the right of recourse against the supplier, in which instance a notice that would otherwise be required shall not be needed for us to assert our rights regarding defects.
- 10.9. We shall be entitled to demand compensation from the supplier for expenses we must bear with regard to our customers because of a claim they have against us for compensation for expenses required for fulfilling the replacement order, in particular transport, travel, labour and material costs.
- 10.10. Notwithstanding the provision in paragraph 10.6, the limitation period in the cases of paragraphs 10.5 and 10.9 shall come into effect no earlier than two months after the date on which we have met our customer's claims against us, but no later than five years after delivery by the supplier.
- 10.11. If a material defect appears within six months after the transfer of risk, it shall be assumed that the material defect already existed at the time of the transfer of risk, unless this assumption is incompatible with the nature of the item or the defect.

11. Product liability and recall

In the event that we receive a claim for product liability, the supplier shall be obliged to exempt us from such

claims, if and insofar as the damage was caused by a defect in the contractual object delivered by the supplier. In cases of fault-based liability, however, this shall only apply if the supplier is at fault. Insofar as the cause of the damages lies within the supplier's area of responsibility, it shall bear the burden of proof. If the supplier is liable, it must reimburse us for all costs and expenses incurred, including the costs of any legal action and product recall. Otherwise statutory regulations shall apply.

12. Execution of works

Persons who carry out work in the factory premises in fulfilment of the contract must observe the provisions of any company regulations. We shall assume no liability for accidents that occur to these persons on the factory premises. This shall not apply if the accidents were caused by intentional or grossly negligent breaches of duty by our legal representatives or vicarious agents.

13. Assignment, offsetting and right of retention

- 13.1. Assignment of outstanding claims against us shall only be permitted if we have given our consent in writing. This shall also apply to undisclosed assignments.
- 13.2. The supplier shall not be entitled to offset claims for payment against claims due to us, unless these claims for payment are undisputed or legally binding.
- 13.3. The supplier shall only be entitled to rights of retention if these are based on the same contractual relationship.

14. Place of fulfilment, legal jurisdiction, applicable law, severability clause

- 14.1. The place of fulfilment for the supplier's deliveries and services shall be the registered office of GC-heat Gebhard GmbH & Co. KG.
- 14.2. The place of jurisdiction for all disputes arising directly or indirectly from contractual relationships on which these terms and conditions of purchase are based shall be Siegburg. We shall be entitled to sue the supplier at our discretion at the court in its place of business or that of its branch office, or at the court in the place of fulfilment.
- 14.3. For contractual relationships, German law shall apply exclusively, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 14.4. Should a provision in these conditions and in additional agreements be or become invalid, this shall not affect the validity of the remaining provisions. The contracting parties shall be obliged to replace the invalid provision with another provision which approaches as closely as possible the economic outcome of the original provision.