

## General Purchase Terms and Conditions

### 1. General – scope of application

All current and future orders shall be governed by the following Purchase Terms and Conditions. Different, contrary or supplementary General Commercial Terms and Conditions of the Supplier, even when they are known, do not become an integral part of the contract unless it is expressly agreed to in writing that they shall apply. These General Purchase Terms and Conditions shall replace the terms and conditions used to date. On acceptance of an order the Supplier declares that he agrees that they shall apply. If individual provisions of these terms and conditions are or become invalid, the validity of the remaining provisions shall be unaffected hereby. The invalid provision must be replaced by one that is as close as possible to the financial intent.

### 2. Order

The contractor is obliged to accept and confirm our orders within a period of one week from receipt of the order. A late confirmation or one that is different from our order shall be held to be a new offer and requires our express written acceptance. If there is no such written acceptance and if the contractor nevertheless implements the delivery or other work, then the terms and conditions of the order issued by us shall apply to their acceptance. All orders and any amendments and additions thereto are required to be in writing. Verbal agreements are valid only if we expressly confirm them in writing. The same applies to amending the writing requirement clause itself.

### 3. Prices - terms and conditions of payment

The price stated in the order is binding regardless of the length of the delivery periods. If no prices have been specified in the order, then our express written confirmation of the price is required. Except as otherwise noted in the order, payment shall be made within 20 days less 3 % discount, within 60 days net or at a later payment date granted by the customer (net). The payment period shall begin not earlier than receipt of the proper invoice, but not before receipt and technical acceptance of the goods ordered or acceptance of the work. The date of the receipt stamp shall be deemed to be the date the invoice is received. If the invoice that has been remitted is not correct, the discount period shall not begin before receipt of the supplemented or amended invoice. The contractor declares that he is ready to implement the order on terms that have been granted to companies affiliated with us in our group. Price rebates, discounts, etc. granted to the latter shall also be deemed to be agreed here. We do not recognise accrued interest, restrictions on rights to refuse performance, rights of retention and set-off rights. The fact that payments that have been made does not affect our right to notify a defect or our guarantee and warranty claims against the contractor.

### 4. Delivery

All deliveries shall be made carriage paid and packing included to the receiving station or place of use specified by us. We must be notified of the consignment in writing in such a way that we are aware of details about the number of items, dimension and weights before the goods arrive. The same applies to any special regulations for handling the goods, in particular for unloading, transportation and storage in our business premises. We are entitled to prescribe to the supplier the type and manner of packaging (General Packaging Regulations of Schubert & Salzer Control Systems GmbH).

Where we expressly agree to bear the costs, then we shall designate the carrier. The goods must be declared in the bill of lading so that the most inexpensive freight rate permissible is charged for the shipment. For the shipment to be made the contractor shall notify the customer when the goods are ready for shipping. In this case we shall take out transportation insurance and bear the resulting costs. To that extent we are a prohibited customer for haulage and cartage insurance (so called SVS/RVS-prohibited customer). We shall not assume any additional insurance costs. Where the agreed price is not inclusive of packaging, the packaging must be charged at cost, without compensation. We reserve the right to return unwieldy packaging material to the contractor, especially containers, casks, chests etc. after they have been emptied and irrespective of any transportation or other wear and tear; this shall be done carriage paid in return for a corresponding credit. Operations that are carried out which depart from the regulations arising from the Packaging Ordinance (VerpackV) dated 12.06.1991 (BGBl -Federal Law Gazette p. 1234 ff.) require our prior written approval. The contractor undertakes to comply with the statutory regulations when delivering and transporting hazardous substances as defined by the Transportation of Hazardous Goods Act of 06.08.1995 (BGBl - Federal Law Gazette I p. 212 ff.) and any legal ordinances. Multiple deliveries are only allowed if we have confirmed this in writing. All documents necessary for acceptance, operation, maintenance and repairs, especially test protocols, work test reports, drawings, plans, directions on use and repair manuals, must be delivered free of charge by the contractor in a form that allows for duplication. Our receiving department is open: Mo – Thu 8.00 am - 12.00 noon and 1.30 pm – 3.00 pm, Fr 8.00 am - 12.00 noon and 1.00 pm – 2.00 pm. Express deliveries outside the goods delivery time must generally be deposited with notification at our gate.

### 5. Delivery note

A delivery note must (one copy only) be attached to each consignment, giving all the identifications prescribed in our order, in particular the order no., parts no., batch no., and pos. no. Partial and residual deliveries must be specially marked. In order to be able to determine what is inside a consignment without opening it, the delivery note must be inserted either under the sticker or under the wrapping paper, with the note "delivery note here".

### 6. Time of delivery – late delivery

The prescribed delivery dates shall be deemed to be agreed unless the contractor objects expressly; in the particular case delivery dates and periods are binding and shall begin on the date of our order. Compliance with the delivery date or delivery period shall be determined by receipt of the goods at the receiving station or place of use specified by us or by timely and successful acceptance. Any delays arising must be notified immediately in writing once they become known prior to the expiry of the delivery period, giving details of the grounds and the probable length of delay for the customer. With regard to the order, any new arrangements that become necessary due to late delivery shall be notified by us immediately and must be strictly observed by the contractor. In the event of default in delivery we are entitled to demand flat rate damages for default amounting to 5 % of the value of the delivery per completed week, but not exceeding 10 %. There will still be a right to make additional statutory claims, in particular the right to withdraw under §

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323 BGB [Federal Civil Code]. The supplier has the right to prove to us that no loss, or a significantly lower loss, has arisen due to the default. The lump-sum shall then be reduced accordingly. If the delivery period is not complied with, we are also entitled to set a reasonable grace period and, after it has expired with no result where the delivery deadline is specified on a calendar basis, to withdraw from the contract, even without prior warning, and/or to demand compensation for non-performance. The aforementioned rights shall not be excluded by the fact that we have previously unconditionally accepted late deliveries. A delivery that is made early without our approval does not affect the payment periods starting from the agreed delivery dates.

### 7. Transfer of risk

The ordered goods shall travel at the risk of the contractor. The contractor shall bear the risk of accidental destruction or accidental deterioration up until acceptance. Agreements that deviate from this must be confirmed by us in writing.

### 8. Warranty, guarantee, notification of defects

The contractor is aware that the ordering party manufactures complex valves and measuring and regulating equipment for controlling industrial processes. The contractor, being aware of this, guarantees that all items delivered by him or all work done by him conforms with the latest state of technology, the relevant legal provisions and the regulations and guidelines of authorities, professional associations and trade associations and are fit for use in the aforementioned area of deployment. If it is necessary in a specific case to deviate from the specified provisions, the contractor must obtain our written approval for this. His warranty or guarantee obligation is not affected by said approval. The specifications and the company's own standards stipulated in the agreement shall apply as guaranteed information or a warranted characteristic of the item delivered or the work. The contractor shall be liable for ensuring that the delivered items or the work done have no defects which impair their value or their fitness for the purpose and that they possess the warranted or guaranteed characteristics and are fit for the known purpose. We are entitled to the full extent of any statutory warranty claims. The warranty period under § 438 BGB [Federal Civil Code] or § 634 a (1) BGB [Federal Civil Code] shall apply. By testing and/or removing the defect, the statute of limitations is interrupted until we are informed of the result of the test or the defect is stated to have been removed or there is a refusal to continue with its removal. We are obliged to test the goods within a reasonable period to determine whether there are discrepancies as regards the quality or quantity. Notification is made in a timely fashion if it is received within a period of 10 days after delivery at the supplier's. We shall notify so-called latent defects that do not appear until later on no later than within 10 days following their discovery. The aforementioned periods are interrupted during our business holidays provided the contractor has been informed in the order of the time frame of the business holidays. For defects which have been notified within the due time or where warranted or guaranteed characteristics are missing the contractor is obliged, after being requested by the customer, to carry out the necessary rectification work immediately and at no charge. Where rectification is unsuccessful, the customer shall still have available the statutory warranty claims. In urgent cases or if the contractor is in default with fulfilling

his duties under the warranty, we are also entitled to remove the defects at the expense of the contractor himself, or arrange for their removal, or arrange for replacement. This decision is at the customer's discretion in accordance with his duty. If we are sued for breach of official safety regulations or pursuant to a domestic or foreign product liability regulation or warranty right, due to our product's defectiveness, which is attributable to the contractor's goods or work, we are entitled to demand compensation for said loss from the contractor. If the cause is due to more than one circumstance, the ordering party shall be liable pro rata.

### 9. Acceptance

Acceptance shall occur in the ordinary course of business immediately after receipt of the delivery or work, provided both are in accordance with the contract. We shall fulfil our duty to examine and notify any defects for bulk goods by carrying out random samples in the course of testing incoming goods. This is carried out using statistical methods in accordance with ISO/TC 69 and JEC/TC 59 and random sample plans modified from them.

### 10. Force majeure

Acts of God, strikes and lock-outs shall exempt the contractual parties from their liabilities for the length of the interruption and to the extent that they have an effect. The contractual parties are obliged, within the realm of what is reasonable, to provide the necessary information immediately and to adapt their obligations to the altered circumstances in good faith.

### 11. Foreign industrial property rights

The contractor shall be responsible for ensuring that the manufacturing, processing, use or resale of the goods offered for sale and delivered or of other services do not breach any domestic or foreign industrial property rights or copyrights of third parties. The contractor is obliged, to indemnify us or our customers against compensation claims of third parties arising from such legal relationships and against the costs of defending such action and at its own expense to join us or our customers in any ensuing legal action which has been instituted. We are entitled to acquire the right of use (licence) from the holder of the right at the contractor's expense.

### 12. Our own industrial property rights

The contractor acknowledges our claims to the trademarks, labels and packaging designs used for the contractual products and undertakes not to let others have rights to future use of said trademarks, labels and packaging designs and not to reuse them or similar ones or have them used, except for the contractual products for dispatch to ourselves. This obligation on the contractor shall remain even after the contract has ended.

### 13. Documentation and Confidentiality

Models, samples, drawings and instructional pamphlets as well as tools that we provide to the contractor shall remain our property. They may be reclaimed at any time by us. All models, samples and drawings must be treated confidentially and may only be used to implement our orders. The contractor expressly undertakes not to duplicate our models, samples and drawings. All parts manufactured in accordance with our information, drawings or models may only be remitted to us, and not under any circumstances to third parties for use or for inspection. All other information disclosed to the supplier, in connection with

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issuing and implementing the order, concerning numbers of items, prices etc. and knowledge otherwise received of all our business proceedings must also be kept confidential by the supplier, even after the business relationship has ended.

### 14. Assignment

The contractor is not entitled without the customer's prior approval, to assign claims against us or to have them collected by third parties. We shall grant approval to assign in accordance with the principles of good faith. In the event that the contractor has granted his supplier extended retention of title in the ordinary course of business our approval is deemed to be granted.

### 15. Off-set

We are entitled to offset claims by the contractor with claims which one of our group companies has against the contractor.

### 16. Security of the supply chain

The Contractor guarantees that he is either an Authorised Economic Operator (AEO) or that he meets the following requirements concerning the security of the supply chain: Goods produced, stored or transported on behalf of the Customer or delivered to the Customer or received by the Customer

- are produced, stored, processed and loaded at secure business establishments and at secure transshipment locations,
- are protected against unauthorised access during production, storage, processing, loading and transport.

The personnel assigned to the production, storage, processing, loading, transport and receipt of such goods is reliable. Business associates acting in the name of the Contractor have been informed that they are also required to take measures to safeguard the supply chain named above. The Contractor shall furnish proof of his AEO certification without delay, but at the latest upon delivery for the first time by sending a copy of the official certification to the Customer. If the Contractor is not an Authorised Economic Operator, he shall submit without delay but at the latest upon delivery for the first time a security declaration ([www.zoll.de](http://www.zoll.de)), in which he undertakes to observe the requirements stated. If the Contractor no longer fulfils the requirements warranted in the security declaration, he is obliged to immediately notify the Customer thereof in writing. An incorrect security declaration or the subsequent non-fulfilment of the requirements stated therein are good cause for instant termination by the Customer. The Contractor also pays all expenses and damage which the Customer incurs as a result of the incorrectness of the security declaration or the subsequent non-fulfilment of the requirements stated therein.

### 17. Supplier declaration

An essential part of the contracts materialising on the basis of these terms of purchase is the obligation to submit supplier declarations in accordance with Council Regulation (EC) No. 1207/01. Should long-term supplier declarations be used, we shall be notified of any changes to the information on origin with the relevant order confirmation, without being required to request such information. Should the supplier declarations contain insufficient information or should they be inaccurate, and should we for this or any other reason be required by the customs authorities to submit an INF4 information sheet, the Contractor shall be obliged at our request to immediately provide us with

accurate and complete INF4 information sheets approved by the customs authorities on the origin of the goods. Should we or our customers be subsequently charged by any customs authority on account of any inaccurate customs declarations that we issued ourselves, or should we or our customers suffer as a result thereof any other financial disadvantage and should such an inaccuracy be attributable to the inaccurate original information on origin provided by the Contractor, the Contractor shall be liable in this respect.

### 18. Place of performance, jurisdiction, choice of law

In the course of doing business with merchants entered in the Commercial Register, legal entities under public law or special funds under public law, the place of performance for delivery and other work of the contractor is the destination address stated by us. The place of performance for our payment obligation is our company's registered office. Jurisdiction for all disputes shall be the customer's registered office; we reserve the right, however, to sue at the contractor's registered office. German law shall apply to the legal relations between us and the supplier or contractor to the exclusion of the UN-Convention on Contracts for the International Sale of Goods.