



## **General Terms and Conditions of Purchase**

### **For all Companies of EBZ Group located in the European Union**

#### **1. General**

- (a) In these Terms “Purchaser” means the Company making use of these General Terms and Conditions of Purchase, especially EBZ SE and its affiliates that are located in the Federal Republic of Germany or the European Union (hereinafter also referred to as the: “**EBZ Group**”):
- (b) EBZ Group, particularly but not exclusive, consists of the following companies located in Germany:
- EBZ Engineering Bausch & Ziege GmbH,
  - EBZ Ravensburg GmbH,
  - EBZ SysTec GmbH,
  - EBZ BM FormTec GmbH,
  - EBZ NHC Composites GmbH,
  - EBZ Ammerbuch GmbH
  - EBZ Wolfsburg GmbH
  - EBZ Grundbesitz Deisenfang GmbH
  - EBZ Grundbesitz GmbH & Co. KG
  - EBZ Grundbesitz Wiesental GmbH & Co. KG and
  - EBZ Grundbesitz Schemmerhofen GmbH & Co. KG.
- (c) Only the Purchaser’s Terms and Conditions of Purchase shall be valid.
- (d) Any deviant General Terms and Conditions of the Contractor shall, even in case of unconditional acceptance of delivery, not be accepted by the Purchaser, neither partly or entirely, unless expressly approved to in writing by the Purchaser.

#### **2. Purchase Orders**

- (a) Purchase orders are only binding if placed in written form.
- (b) Documents used by the Contractor in course of business with the Purchaser shall quote the following: purchase order number, project number, works of origin, place of receipt, identification number, material master number/material master description, quantities and quantity units as well as VAT number (for imports from the EU).

#### **3. Prices**

All prices shall be fixed prices. They shall include everything the contractor has to provide to fulfill its contractual obligations exclusive Value-Added-Taxes.

#### **4. Specifications**

- (a) Specifications include among other things that



- the Contractor assigns full title to the Purchaser of all technical documents (including of those of its sub-suppliers) as well as of documents necessary for maintenance and operation. These technical documents shall be issued in German and according to the international standard system SI;
  - the Contractor assigns all rights of use necessary for the Purchaser or any third party to make use of the supplies and services with due regard to possible patents, Supplementary Protection Certificates (SPC), brands, utility models or other intellectual property rights.
- (b) Quantity shall be as specified in the Order. The Purchaser may reject any delivery of excessive quantities at the expense of the Contractor.

## **5. Quality**

- (a) The Contractor shall set up and maintain, for the whole duration of contractual performance, a documented quality assurance system appropriate in terms of type and extent and according to the latest state of the art. The Contractor shall keep records, especially on its quality inspections, and provide those records to the Purchaser on request.
- (b) The Contractor hereby agrees to quality audits conducted by the Purchaser or any agent in order to assess the effectiveness of its quality assurance system. For that purpose the Purchaser shall be entitled to enter the Contractor's operating premises up to four times per half a year within contractual performance. The Purchaser shall only be entitled to this during common business hours and/or hours of operation and after notice given minimum two workdays in advance. The Contractor shall within reason support the Purchaser in assessing the effectiveness of the Contractor's quality assurance system. Especially, if required and in accordance with any provision concerning data protection, the purchaser shall be granted access to all relevant documents.

## **6. Period and Date of Delivery and/or Performance**

- (a) Specified dates of delivery and/or performance shall be strictly observed. Binding period and date of delivery and/or performance is date of goods input at the purchaser. Unless delivery "free works" is agreed, the Contractor has to guarantee in-time-deliverance by considering time for loading and shipping. The Purchaser may reject any goods delivered, or any services performed, prior to the agreed date.
- (b) The Contractor shall give notice of any failure to meet a deadline to the Purchaser immediately in writing.

## **7. Delivery and Storage**

- (a) If the parties agreed on prices "ex factory/ex works", "ex warehouse" or "FCA" the Contractor shall commission a transport company listed in the Purchaser's Order. The Purchaser shall bear the freight charges in this case.
- (b) The Contractor shall deliver goods to the delivery addresses stated in the order. Delivery to, or performance at, a place of receipt other than that designated by the Purchaser



shall not constitute transfer of risk for the Contractor even if said place of receipt accepts the delivery and/or the services. The Contractor shall bear the additional costs of the Purchaser resulting from delivery being made to, or services performed at, an address differing from the agreed place of receipt.

- (c) If any delivery and/or performance is done by installment this shall be indicated by the Contractor as such. Any bill of delivery shall be submitted to the Purchaser as a single copy.
- (d) If weighing is necessary, the weight determined on the Purchaser's calibrated scales shall prevail.
- (e) Where the Contractor is entitled to the return of any packaging needed for delivery this shall be clearly indicated by note in any bill of delivery. If such note is missing, the Purchaser shall be entitled to dispose of the packing at the Contractor's expense. In this case, the Contractor's claim for return of the packing or any compensation shall be deemed expired. This shall not apply if the personnel assigned by the Purchaser to process shipment were aware, or were unaware by act of gross negligence, of such right of the Contractor. The "Additional Terms and Conditions to the General Terms and Conditions of Purchase Regarding Transport Packaging, Outer and/or Sales Packaging" are part of these conditions and must be considered.
- (f) Any Storage of items needed for the contractual performance, and for which it is necessary to store them at the Purchaser's premises, shall only take place at designated storage areas. For these items, the contractor shall bear full responsibility and risk until transfer of risk to the Purchaser.

## **8. Transport Packaging, Outer and/or Sales Packaging**

- (a) Transport shall be in compliance with all applicable statutory provisions, especially those of the German "Law on Transport of Dangerous Goods" (Gesetz über die Beförderung gefährlicher Güter [GGBefG]) and the respective German Ordinance on Dangerous Goods (Gefahrgutverordnung) including respective enclosures and annexes to the particular provision.
- (b) If delivered by rail, declaration of goods in the bill of lading shall comply with all current and valid regulations of the respective railroad companies. Any cost and damages arising from incorrect or omitted declaration shall be at the expense of the Contractor.
- (c) According to the applicable German "Ordinance on Avoidance and Further Processing of Packaging Waste" (*Verordnung über die Vermeidung und Verwertung von Verpackungsabfällen [VerpackV]*) all manufacturers and distributors of goods are required, as provided in § 1 of the Ordinance,
  - to avoid packaging as far as possible,
  - to support reusable packaging,
  - to use recyclable material in case packaging is vital.

Furthermore, all manufacturers and distributors of goods are obliged by § 4 subpar. 1 of the Ordinance to take back used packaging.



Therefore, if goods are delivered according to the purchase order the Contractor shall be required

- to abandon any packaging as far as this is possible without increasing risk of transport damages; or
- to reduce packaging to an absolutely necessary extent wherever transport packaging, outer and/or sales packaging is vital. In that last case the Contractor shall use, if possible, reusable, returnable and/or swap packaging like e.g.
  - flat euro pallets;
  - rail containers of German Railways (*DB-Bahnbehälter*), Collico containers, lattice box pallets; or
  - any of Contractor's own system of reusable packaging, where packaging will be taken back at no additional charge for the Purchaser.

**(d)** However, the Contractor shall be obliged at least to use sustainably packaging and/or filler material which does not put a strain on further processing of these materials.

Packaging and/or filler material which does not put a strain on its further processing is for instance

- wood (including pallets)
    - only in solid form and in natural condition (not impregnated, not lacquered, not coated),
    - free of compressed wood, plywood, fibreboards, chipboards (coated or uncoated),
    - clear of any iron parts (e.g. clips, nails, screws, bolts),
    - clear of any plastic bushings and/or plastic bases,
    - having a thickness > 10 mm;
  - cardboard, paper
    - free of non-paper components and any poorly recyclable paper or cardboard (e.g. wax paper/cardboard, paraffin paper/cardboard, bitumen paper/cardboard, oil impregnated paper/cardboard, wet strengthened or impregnated paper/cardboard glued on a non-biological basis);
  - polystyrene
    - clean and not plastered;
  - foils
    - polyethylene foil exclusively plastered only with stickers of identical material and free of adhesive strips.
- (e)** Provided that the Contractor observes these instructions the Purchaser shall endeavor to conduct within reason and on its own responsibility any material utilization of non-reusable packaging material. If, however, the Purchaser demands the Contractor to take back any packaging material the Contractor shall be obliged to comply.

The Purchaser expressly reserves any cost sharing with the contractor in regard to material utilization. The Contractor shall be entitled to avert such cost sharing by taking back the packaging material. For this purpose the Purchaser shall inform the Contractor within reasonable time about the estimated costs of material utilization.

If the Contractor fails to take back the packaging within a reasonable respite set by the Purchaser the Purchaser shall be entitled

- to return packaging material to the Contractor at Contractor's charge; or
- to arrange for proper disposal at Contractor's charge.

**(f)** The Contractor guarantees no increase of price shall result from observing the instructions above.



## **9. Assignment and Transfer**

- (a) The Contractor shall not assign or transfer any of its rights and/or obligations under the contract to any third party without prior consent of the Purchaser.
- (b) § 354a of the German Commercial Code (*Handelsgesetzbuch [HGB]*) shall remain unaffected.

## **10. Termination of Contract**

- (a) In addition to its statutory rights to withdraw and rights of termination the Purchaser may withdraw from, or terminate, the contract in the event of
  - the Contractor ceasing delivery to its customers for any reason the Purchaser is not responsible for;
  - a significant deterioration in the Contractor's financial circumstances or threat of such deterioration and this deterioration or threat of deterioration endangering performance of the contractual obligations;
  - illiquidity or debt overload on part of the Contractor; or
  - the Contractor ceasing payment.
- (b) The Purchaser may also withdraw from, or terminate, the contract in the event of the filing of insolvency over the Contractor's assets with the insolvency court. In this case the Purchaser may acquire any materials and/or semi-finished products including any special tools and equipment at appropriate conditions.

## **11. Invoicing, Payment, Offsetting**

- (a) Payment shall be made as agreed in the Contract. Any delivery and/or performance prior to the specified date shall not affect any respite related to this deadline.
- (b) The Contractor shall only be entitled to offset against undisputed, legally decided or no longer contestable claims as well as claims directed to costs of correction of faults or completion of work.
- (c) Any invoice shall be sent separately to the Purchaser's invoice verification department including all documents necessary for such verification.

## **12. Claims Arising from Liability for Defects**

- (a) The Contractor shall procure that all deliveries and/or performances are of the agreed quality and suitable for the use intended under the contract.
- (b) Period of limitation for claims arising from defects shall begin at the time all goods have been delivered and/or performances have been performed according to specifications. If the parties agreed to acceptance of the goods and/or performances period of limitation shall begin at the date of acceptance.
- (c) Statutory period of limitation for claims arising from defects shall apply to these claims. If such period is two years at most, in regard to defects notified by the Purchaser within the



period of limitation, the period shall end no earlier than six months from the date of such notification.

- (d) Any control of incoming goods is carried out by the Purchaser only in respect of variations in identity and quantity, in respect of defects visible externally and in respect of any other apparent defects. Any such variations and/or defects shall be notified immediately by the Purchaser. The Purchaser reserves any advanced control of incoming goods. Otherwise notifications of defects shall be given immediately as soon as those are determined during the course of ordinary business. In respect to the last the Contractor shall waive the objection of delayed notification provided in §§ 377, 381 subpar. 2 of the German Commercial Code (Handelsgesetzbuch [HGB]).
- (e) In case of defect, the Purchaser may eliminate the defect itself or have it eliminated by third parties following the fruitless expiration of a respite set to the Contractor for supplementary performance. In such case the Purchaser may also claim compensation of necessary expenditures.

The Purchaser shall not be entitled to these rights if the Contractor denies supplementary performance with good reason.

The Purchaser shall be entitled to the same right if

- the Contractor denies supplementary performance genuinely and definitely;
- supplementary performance has failed; or
- special circumstances vindicate an immediate self-help after consideration of both parties' interests.

Any of Purchaser's statutory claims based on defects shall remain unaffected.

### **13. Place of Fulfillment**

Place of fulfillment for all deliveries and/or performances shall be the place of receipt specified by the Purchaser.

### **14. Non-Disclosure Agreement**

- (a) The Contractor shall not disclose to any third party any knowledge of the Purchaser's, and its clients', operational proceedings, facilities, equipment, documents, data, information etc. gained in the context of the Contractor's activities for the Purchaser. This non-disclosure agreement shall not apply if the information in question
  - was publicly known before disclosure or became publicly known after disclosure with no fault of the Contractor;
  - was known to the Contractor before disclosure by the Purchaser;
  - was devised independently by the Contractor not using the information in question available at the Purchaser's and without any contribution of persons having access to such information in question available at the Purchaser's; or
  - has to be made available to any third party based on administrative order or adjudication.
- (b) The Contractor shall be under the above obligations of non-disclosure even after tender of offer and shall remain valid for a period of further five years after completion of the contract.



- (c) The Contractor shall impose corresponding obligations of non-disclosure on its auxiliary persons and vicarious agents.

## **15. Data Protection**

In accordance with Article 12 of the General Data Protection Regulation, GDPR, the Purchaser points out that data concerning the Contractor will be stored in order to process the current and any future contracts as well as to comply with legal regulations, especially commercial accounting standards.

## **16. Protection of the Environment**

- (a) During the execution of an order, the Contractor shall comply with the legal requirements for environmental protection. He will continue to make effective use of the necessary resources, in particular materials, energy and water, and minimize its environmental impact, in particular in regard to waste, wastewater, air and noise pollution. This also applies to the logistics and transport costs.
- (b) For the quantitative assessment of the Contractor's resource efficiency, the Contractor shall, upon request, provide the Purchaser with the following information in relation to its total annual scope of the contract with the contracting entity and with the companies of EBZ Group:
- Total energy expenditure in MWh;
  - CO<sub>2</sub> emissions from own and externally generated energy in t;
  - Total water consumption in m<sup>3</sup>;
  - Process-wastewater in m<sup>3</sup>;
  - Waste for disposal in t;
  - Waste for recovery in t;
  - VOC emissions (volatile organic compound) in t.
- (c) In addition, the Contractor shall, at the request of the Purchaser, provide the Purchaser with information (including data on the use of materials) for a Life Cycle Assessment in relation to the Goods or parts of the Goods in accordance with the VDA data collection format.
- (d) The Contractor undertakes to introduce and operate a certified environmental management system according to "ISO 14001" or a derived, recognized and certified environmental management system no later than two years after the order has been placed and to prove this to the client by presenting a corresponding certificate.

## **17. Social Responsibility / Sustainability**

- (a) For the Purchaser, it is of paramount importance that entrepreneurial activities take into account the social responsibility towards their own employees, the client's employees and their end customers and society in general. This applies to both the Contractor himself and his subcontractors.
- (b) Purchaser and Contractor commit themselves to respect the principles and rights adopted by the International Labor Organization (ILO) in the "Declaration on



Fundamental Principles and Rights at Work" (Geneva, 06/98), the UN Guidelines Initiative Global Compact (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011).

- (c) The following principles are of particular importance:
- Respect of human rights,
  - Prohibition of child and forced labor,
  - Positive and negative freedom of association,
  - No discrimination based on gender, race, ethnic origin, religion or belief, affiliation or similar, disability, age, sexual identity, nationality, marital status, political inclination, veteran status, or any other local legal protection Characteristics,
  - Compliance with health and safety requirements,
  - Protection against individual arbitrary personnel measures,
  - Securing employability through education and training,
  - Compliance with socially acceptable working conditions,
  - Creating conditions that allow employees to enjoy a fair standard of living,
  - Remuneration that enables the securing of existence, including social and cultural participation,
  - Achieving equal opportunities and family-friendly framework conditions,
  - Protection of indigenous rights,
  - Prohibition of bribery and blackmail and finally
  - Compliance with applicable laws and regulations.
- (d) In this regard, the contractor will take appropriate measures to prevent fraud in his company.
- (e) It is the responsibility of the contractor to ensure that its subcontractors also act in accordance with the rules set out in this paragraph 17.

## **18. Regulations for personnel deployment**

### **(a) Work permit and applicable laws / standards**

In case of the employment of foreign employees or the employment of the employees abroad, the Contractor must ensure that the respective necessary residence and working title (eg invitation letter, work permit, visa, etc.) for the respective country of employment and for the correspondingly performed activity are available.

The relevant documents, such as invitation letters or visas for the respective country of employment, must be sent to the Purchaser before the start of the work in order to prove and ensure that the contractor has also the correct documents for the employees employed. In addition, the Purchaser is entitled to request further necessary documents in this context.

Should the employees employed by the Contractor change their place of work within the country of employment, the Customer shall be informed thereof and the employee shall have the relevant documents for his / her new place of employment.

Each employee of the Contractor must carry the necessary documents for a legal employment in the respective country of employment or at the respective place of work with him and show them at request.





In addition, the Contractor is responsible for ensuring that his employees are adequately covered by social insurance.

**(b) General jurisdiction**

The Contractor should ensure that the regulations laid down in applicable laws in the country of application are complied with. This also applies to other national and international legal provisions whose content is affected by the activity. The contractor will confirm this to the client at his request. The Contractor has to deal with the laws and standards of the respective country of employment before the beginning of the contract as well as to observe and comply with the legislation of the respective country of employment. The Contractor will confirm this to the client at his request.

The Contractor shall also comply with these obligations if he assigns the contract to other persons or subcontractors.

**(c) Taxation**

The Contractor is responsible for the taxation of the fee. In particular, the laws and regulations concerning wage tax and social insurance (double taxation agreements, social insurance agreements, etc.) of the respective country of employment must be observed.

**(d) Minimum wage**

The Contractor undertakes to pay the statutory minimum wage according to Section 1 (2) Minimum Wages Act (MiLoG) to all employees working in Germany. Only the recognized remuneration components according to § 1 MiLoG may be considered for the calculation of the minimum wage.

In addition, the Contractor shall be obliged to check and to ensure that the subcontractors employed by the Contractor shall pay the statutory minimum wage to employees working in Germany.

The Purchaser shall be entitled to check the payment of the minimum wage in the form of random checks. In case of legitimate doubts of the client regarding compliance with the MiLoG, the Purchaser is entitled to withhold the remuneration owed to the Contractor until the Contractor submits proof of the statutory payment of the minimum wage.

## **19. Applicable Law and Court of Jurisdiction**

- (a)** All contractual relationships between the Purchaser and the Contractor shall be governed by the law of the Federal Republic of Germany to the exclusion of
- its International Private Law (conflict of laws) as well as
  - the United Nations Convention on Contracts for the International Sale of Goods (CISG) dated April 11<sup>th</sup>, 1980 in its latest version.



- (b) Court of jurisdiction shall be Ravensburg or, on his choice, the court of the Purchaser's registered office. However the Purchaser shall be entitled to file a suit against the Contractor at the Contractor's place of general jurisdiction.

## **20. Prevail Clause**

The translation of these General Terms and Conditions of Purchase shall be for purposes of convenience only. In case of any differences between the English version and the German version of these Terms, the German version shall prevail.