

General Terms and Conditions of Purchase for non-product-related services

I. Conclusion of contract/form requirements/offer

1. The following terms and conditions shall apply exclusively to the legal relationship between the contractor ("contractor") and us. Contractor's terms and conditions and deviating agreements shall only apply if we have acknowledged them in writing. Neither our silence nor the acceptance of the performance or its payment shall be deemed to be acceptance.
2. These Terms and Conditions of Purchase shall apply to all future transactions and contracts with the contractor in the version applicable at the time of the respective subsequent transaction, even if we no longer expressly refer to them in the future. The respective current version can be viewed and accessed by the contractor on our website under the menu "General Terms and Conditions of Purchase for Non-product-Related Services of the Hanomag Lohnhärtereier Group".
3. The contract as well as any amendments, ancillary agreements, declarations regarding its termination as well as other declarations and notifications must be made in text form, unless otherwise stipulated in these terms and conditions. If the contractor does not accept an order in writing within two weeks of receipt, we shall be entitled to revoke the order at any time after the expiry of this period. The offer is free of charge and non-binding for us. The contractor shall be responsible for ensuring that it has thoroughly checked the local conditions before submitting the tender and has obtained clarification by inspecting documents on the performance of the services and compliance with the technical and other regulations. Additional costs incurred by the contractor due to the fact that it has not sufficiently taken into account the documents as well as the local and seasonal conditions, if necessary by making enquiries with us, shall not be recognised after the order has been placed.
4. Contractor's deviating terms and conditions shall not be effective even if we do not separately object to these terms and conditions.
5. Persons commissioned by us with planning and/or supervisory tasks do not have any general power of representation vis-à-vis the contractor, in particular not the right to amend contractual provisions, to extend execution deadlines or to postpone execution dates and to legally recognise invoice amounts, claims for work wages, control hours, material lists, measurements or the like. Reservations and concerns of any kind shall be communicated by the contractor exclusively and directly in writing to the contact person named on the order.

II. Scope of services/changes to the scope of services

1. The "Operating Regulations for External Companies", which can be accessed on our website, apply to all services on our premises.
2. The contractor shall ensure that it is aware in good time of all data and circumstances relevant to the fulfilment of its contractual obligations and of the use we intend to make of its services. In the event of any ambiguities, the contractor is obliged to obtain all information necessary for this purpose before commencing its activities. The contractor shall check any documents handed over for correctness, also with regard to the local conditions, and, if necessary, check the execution of preparatory work by third parties. It shall immediately notify us in writing of any concerns of any kind, stating the reasons, and reach an agreement with us on the continuation of the work. The contractor warrants that its services are suitable for proper, safe and economic use, that they are suitable for the intended use and correspond to the state of the art of science and technology. When providing the services, the contractor shall observe all relevant standards, laws and legal provisions, in particular the relevant environmental protection, hazardous substances, hazardous goods and accident prevention regulations, and shall comply with the generally recognised safety and occupational health rules. The contractor shall inform us of any official permits and notification obligations that may be required.
3. We may demand changes to the performance within the scope of what is reasonable for the contractor. The contractor shall implement the changes within a reasonable period of time. Appropriate arrangements shall be made by mutual agreement regarding the effects, in particular with regard to the additional and reduced costs, as well as the performance dates or deadlines. If an amicable settlement cannot be reached within a reasonable period of time, which, subject to special circumstances, is regularly 10 days, a right of determination to be exercised by us within the meaning of Section 315 of the German Civil Code shall apply, taking into account equitable discretion.
4. The contractor is obliged to propose to us any changes which it deems necessary or expedient. After written consent by us, it shall also implement these changes. Insofar as a change entails an increase or reduction in costs and/or a missed deadline, the contractor shall be obliged to point this out at the same time as its change proposal or immediately after receipt of our change request and to submit a corresponding supplementary offer. In this case, the change shall not be deemed to be bindingly agreed until a supplementary written agreement has been reached between the parties on the remuneration of the additional costs or the consideration of the reduced costs as well as on the schedule. If an amicable settlement cannot be reached within a reasonable period of time, which, subject to special circumstances, is regularly 10 days, a right of determination to be exercised by us within the meaning of Section 315 of the German Civil Code shall apply, taking into account equitable discretion.
5. We are entitled, but not obliged, to accept deliveries and services in the absence of the contractor on the contractor's behalf. However, we shall not be liable for the completeness and correctness of these deliveries and services even in the event of written confirmation of receipt. All risks of safekeeping shall be borne by the contractor.
6. The contractor shall document tests carried out in the course of the execution of the order and their results; a clear allocation to the respective services must be ensured. The documentation shall be kept for at least five years from acceptance, unless a longer retention period has been agreed, and shall be made available to us upon request.
7. Hazardous substances shall be packaged and labelled in accordance with the applicable laws, and the relevant latest versions of the safety data sheets shall be supplied. Likewise, dangerous goods must be packed, labelled and transported in accordance with the applicable laws of the respective countries (including transit countries); the dangerous goods classification or, if applicable, the note "no dangerous goods" must be indicated on the delivery note.

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- Unless otherwise agreed, the CE mark must be clearly visible; the declaration of conformity and the hazard analysis must also be supplied.
- Packaging should always be recyclable reusable packaging and made of environmentally friendly materials. Packaging materials should be produced without CFCs, be chlorine-free, chemically inactive, groundwater-neutral and non-toxic in combustion. The packaging must be labelled with recognised recycling symbols, such as RESY, or substance symbols, such as PE. The supplier is obliged to dispose of its waste, packaging etc. on its own responsibility and free of charge for us. Failing compliance with this agreement, we will carry out the disposal at the contractor's expense without setting a further deadline.

III. Deadlines/Delay

Agreed dates and deadlines are binding. The receipt or acceptance of the contractual performance by us or by the recipient specified by us shall be decisive for compliance with the performance date or the performance period. The contractor shall notify us immediately in writing of any recognisable delay in its performance, stating the reasons and the expected duration of the delay. The contractor may only invoke causes of delay beyond its responsibility if it has complied with the duty to notify. In the event of culpable delay in delivery, we shall be entitled to demand a contractual penalty from the contractor. This penalty shall amount to 0.2% for each working day or part thereof of the delay, but not to more than 5% of the total value of the order. The agreement of the contractual penalty or its enforcement shall not affect the statutory claims to which we are entitled due to default. Any contractual penalties paid shall be offset against claims for damages. The contractual penalty may be claimed until payment of the service rendered. Acceptance by us of a delayed delivery or service shall not constitute a waiver of claims for compensation.

IV. Staff used / subcontractors

- The contractor is obliged to deploy only employees for whom it complies with the provisions of tax and social security law. The contractor may only use foreign employees subject to work permit requirements if they are the contractor's own employees and have a residence and work permit that is valid for the location and schedule of the services to be provided. Appropriate evidence must be provided upon request.
- The contractor is prohibited from using persons who are employed by us or have been employed by us during the last 18 months to fulfil its contractual obligations. It is further prohibited to use personnel provided by third parties in violation of statutory provisions.
- We are entitled at any time to expel employees and vicarious agents of the Contractor from the factory premises or to deny them access if this appears to us to be appropriate for safety reasons, in particular due to the behaviour of the person concerned. The contractor shall replace the person concerned at its own expense.
- Subcontractors may only be engaged with our prior written consent.
- The contractor shall indemnify us on first written demand against all claims made against us by third parties (including official bodies) because the contractor fails to comply with the provisions contained in Chapter IV. In addition, the contractor shall be obliged to reimburse us for any costs incurred by us as a result of the contractor's breach of its above obligations under Clause IV - including, for example, for legal representation.

V. Quality Management

The contractor shall constantly monitor the quality of its contractual services. For this purpose, the supplier shall, within the scope of its possibilities, establish and further develop a management system in accordance with IATF 16949, but at least in accordance with ISO 9001, and undertakes to observe the relevant quality assurance agreement in the respective valid version. The contractual partners shall inform each other about the possibilities of quality improvements. Furthermore, the supplier shall observe the principles of our "Quality/Environment/Energy Policy".

VI. Compliance, social responsibility and environmental protection

- Within the business relationship with us, the supplier undertakes not to offer or grant benefits or to demand or accept benefits that violate applicable anti-corruption regulations, neither in business dealings nor in dealings with public officials.
- The supplier undertakes not to enter into any agreements or concerted practices with other companies within the business relationship with us which have the purpose or effect of preventing, restricting or distorting competition in accordance with the applicable antitrust legislation.
- The supplier assures to comply with the respective applicable laws regulating the general minimum wage and to obligate sub-suppliers commissioned by it to the same extent. Upon request, the supplier shall provide evidence of compliance with the above assurance. In the event of a breach of the above assurance, the supplier shall indemnify us against claims by third parties and shall be obligated to reimburse any fines imposed on us in this connection.
- The supplier shall comply with the respective legal regulations on the treatment of employees, environmental protection and occupational safety and shall work to reduce adverse effects on people and the environment in its activities. To this end, the supplier shall establish and further develop a management system in accordance with ISO 14001 within the scope of its possibilities. Furthermore, the supplier shall observe the principles of the Code of Conduct.

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5. In the event of a suspected infringement of the obligations under clauses 1. to 4., the supplier shall immediately investigate possible infringements and inform us of the investigation measures taken. If the suspicion proves to be justified, the supplier must inform us within a reasonable period of time of the internal measures it has taken to prevent future violations. If the supplier does not comply with these obligations within a reasonable period of time, we reserve the right to withdraw from contracts with it or to terminate them with immediate effect.
6. In the event of serious violations of the law by the supplier and in the event of violations of the regulations in clauses 1 to 4, we reserve the right to withdraw from existing contracts or to terminate them without notice.

VII. Acceptance

1. The contractor shall declare to us readiness for acceptance after proper completion of the commissioned services and hand over all documents belonging to the subject matter of the contract. We shall carry out the acceptance within a reasonable period after receipt of the declaration of readiness for acceptance. If the verification of the contractor's services requires a commissioning of the systems or similar for test purposes (individual test, integration test), the acceptance shall only take place after successful completion of the test.
2. Exceptionally, a partial acceptance shall be carried out if subsequent technical inspection of the contractor's services would otherwise be excluded due to progressive execution of the order.
3. The acceptance shall take place formally within the framework of a joint on-site visit. The course and the result of the acceptance shall be documented in the "VD Plant Acceptance" and shall be signed by both parties. Any fictions of acceptance are excluded.
4. Unless otherwise agreed in individual cases, the acceptance procedure shall be governed by our policies.
5. Safety defects always entitle us to refuse acceptance. The contractor shall bear the additional costs incurred by the contractor and us for repeated acceptances for which we are not responsible.
6. In the case of services which can no longer be inspected and examined at a later date as a result of further execution, the contractor shall request us in writing in good time to carry out the inspection. If it fails to do so, it shall, upon request, bear the costs of the measures necessary to enable the inspection.

VIII. Prices/Terms of payment

1. The prices stated in the order are fixed prices, unless invoicing on the basis of negotiated hourly rates has been agreed.
1. Unless otherwise agreed, payment shall be made after service and receipt of invoice within 14 days with 3% discount or within 30 days without deduction. In the event of acceptance of early performance, however, the period shall commence at the earliest on the agreed performance date. Invoices are to be sent to the email address stated in the order, stating the order number.
2. The contractual remuneration covers all additional services.
3. The contractor is not entitled to assign claims against us to which it is entitled or to have them collected by third parties. The provision of Section 354a of the German Commercial Code (HGB) remains unaffected.
4. The contractor is entitled to offset against our claims or to assert a right of retention if and insofar as its claim is undisputed or its counterclaim is legally binding. We shall also be entitled to offset claims of the contractor against claims of a company affiliated with us within the meaning of Section 15 of the German Stock Corporation Act (AktG). Furthermore, we are entitled to offset our claims against claims to which the contractor is entitled against a company affiliated with us within the meaning of Section 15 of the German Stock Corporation Act (AktG).

IX. Liability for defects/reimbursement of expenses/time limit

1. If the contractor's contractual performance is defective, our claims shall be governed by the statutory provisions, unless otherwise provided for in the following provisions. If the operational safety is endangered, if there is a risk of unusually high damage or in order to maintain our ability to deliver to our customers, we may, after informing the contractor, carry out the rectification ourselves or have it carried out by third parties. Any costs arising from this shall be borne by the contractor. The contractor shall be liable for all damage and expenses incurred by us directly or indirectly due to defects in performance.
The expenses for an acceptance test exceeding the usual scope shall also be liable for compensation if at least parts of the performance were found to be defective. This also applies to a partial or complete review of the performance received in the further course of business at our site. If the contractor uses third parties for the performance of the service, it shall be liable for them in the same way as for vicarious agents.
2. Unless otherwise stipulated by law, the contractor shall be liable for defects occurring within 36 months from receipt or from acceptance of the contractual performance. In the case of services in connection with buildings or land, the contractor shall be liable for defects occurring within 60 months from acceptance and in the case of all waterproofing work against pressing water as well as roofing work 10 years from acceptance. In the event of subsequent performance, the period shall be extended by the time during which the performance has not been rendered in accordance with the contract. The same deadlines shall apply to subsequent performance. In addition, in the case of electrical equipment, the contractor warrants for a period of 5 years that the design is suitable and sufficient for the contractual purpose of use (functional warranty).

X. Provisions

Materials, parts, containers, special packaging, tools, measuring equipment or similar items provided by us (provisions) shall remain our property. Duplications of materials provided may only be made with our prior written consent. The reproductions become our property upon being made. A right of retention by the contractor, for whatever reason, is excluded in respect of the materials provided. Provisions as well as copies thereof may not be made available to third parties (including subcontractors) without our prior written consent and may not be used for purposes other than those agreed.

XI. Software

Insofar as the scope of performance includes non-standard software, the Contractor agrees for a period of 5 years from receipt or acceptance of the contractual performance to make changes/improvements to the software according to our specifications against reasonable reimbursement of costs. Insofar as the software originates from sub-suppliers, it shall oblige them accordingly.

XII. Force majeure/Long-term performance disabilities

1. Industrial disputes, unrest, official measures and other unforeseeable and unavoidable events shall release the contractor and us from our performance obligations for the duration of the disruption and to the extent of its effect. The party concerned shall immediately inform the other party comprehensively and shall do everything within reason to limit the effect of such events. The party concerned shall inform the other party immediately of the end of the disruption.
2. In the event of a long-term prevention of service resulting from force majeure and leading to the ordered delivery being unusable, we shall be released from the obligation to accept the ordered delivery in whole or in part and shall be entitled to withdraw from the contract to this extent. A mutual right of withdrawal with regard to the contract not yet fulfilled shall apply in cases of suspension of payments or the opening of insolvency proceedings, the rejection of the fulfilment of such proceedings for lack of assets or the initiation of comparable proceedings against one of the contracting parties. If the contractor is affected by one of the above events, it shall support us to the best of its ability so that the performance of the service can be carried out by ourselves or by a third party, including licensing of any industrial property rights necessary for the performance of the service on terms customary in the industry.

XIII. Confidentiality/Information

1. The contractor undertakes to treat any information provided by us or otherwise becoming known to it, such as drawings, documents, findings, samples, means of production, models, data carriers, etc., as confidential, not to make them accessible to third parties (including subcontractors and sub-subcontractors) without our written consent and not to use them for purposes other than those determined by us. This applies accordingly to reproductions. The duty of confidentiality also applies to personal data. This obligation does not apply to information which was already known to the contractor in a lawful manner without an obligation of confidentiality upon receipt, or which subsequently becomes known to the contractor in a lawful manner without an obligation of confidentiality, which - without a breach of contract by one of the parties - is or becomes generally known or for which it has been granted permission in writing to use it for other purposes. The contractor may not advertise its business relationship with us without our prior written consent. The contractor continues to be bound by confidentiality after the execution or failure of a contract. Such obligation shall only expire if and to the extent that the information contained in the documents provided has become generally known in a way that is not based on a breach of the duty of confidentiality. We retain ownership and all other rights (e.g. copyrights) to the information we provide. Reproductions may only be made with our prior written consent. The reproductions become our property upon being made. It is hereby agreed between the contractor and us that the contractor shall keep the reproductions for us. The contractor shall carefully store, maintain and insure the documents and items made available to it as well as copies thereof at its own expense and shall hand them over or destroy them at any time upon our request. A right of retention by the contractor is excluded, irrespective of the reason. The complete return or destruction must be declared in writing.
2. In the event of a breach of the obligations under Chapter XIII paragraph 1, a contractual penalty of up to € 25,000.00 shall be due immediately for each case of breach. The contractor reserves the right to have the appropriateness of the amount of the contractual penalty determined by the courts. Any contractual penalties paid shall be offset against claims for damages.
3. The contractor guarantees that no third-party rights are infringed in connection with its delivery to us. Should a claim be made against us by a third party in this connection, the contractor shall be obliged to indemnify us immediately against all claims resulting therefrom at our first request and to defend against such claims. The indemnification obligation also includes all expenses necessarily incurred by us from or in connection with the claim by a third party. This also includes the costs of legal representation. The contractor is obliged to take out insurance against this type of risk to a sufficient extent and in accordance with customary practice.

XIV. Insurance

1. With regard to liability for personal injury, property damage and financial loss resulting from the execution of the order, the contractor shall ensure sufficient insurance cover in terms of reason and amount and provide evidence thereof upon request.
2. The contractor's liability shall not be limited by the conclusion of insurance policies.

XV. Cancellation

1. Without prejudice to any other statutory rights of cancellation or rescission, we may cancel the whole or any part of the contract at any time.
2. In the event of cancellation in accordance with Clause 1, only the self-contained and proven services provided in accordance with the contract up to that point shall be remunerated, provided that these are usable for us. Our claims for damages remain unaffected.

XVI. General provisions

1. The place of performance for deliveries and services is the destination specified by us.
2. German law shall apply to the contractual relationship. The place of jurisdiction is Hanover. However, we are also entitled to sue the contractor at another competent court.
3. Should any provision be or become invalid, this shall not affect the validity of the other provisions.
4. We would like to point out that we store personal data in compliance with the statutory provisions and process it in connection with business transactions.

Hanover, 03 January 2022
Hanomag Lohnhärtereier Gruppe

Release and version tracking

Index	Date	Description of changes	Created/ Changed by
1	03/01/2022	New creation/first issue	HHC/Sonnenfeld