

## **1 General, scope of validity**

- 1.1 Our international conditions of purchase are applicable to purchased goods and services as well as sub-contracted work. Unless expressly provided otherwise in these Purchase Terms and Conditions, the relevant statutory rules of the applicable law according to clause 19.1 shall apply.
- 1.2 Our international conditions of purchase are valid exclusively for physical or legal persons or entities who act in accordance with their corporate or independent professional activity when concluding a contractual agreement
- 1.3 Our international conditions of purchase are valid exclusively for all contracts agreed with our contractual partners (hereafter referred to as suppliers). Terms and conditions of the supplier which may be contrary or different to our general terms and conditions of purchase are only considered applicable if they have received our prior written acceptance. Our international conditions of purchase remain valid even when we are aware of the fact that the supplier's terms and conditions of supply or service are contrary or different to our general terms and conditions of purchase and accepted without reservation.
- 1.4 With the first supply of goods or services based on the present general terms and conditions of purchase, the supplier acknowledges acceptance our general terms and conditions of purchase in its current version for all further contractual transactions.

## **2 Contract validity and content**

- 2.1 Only written orders which are signed or foreseen with our electronic certificate of provenance are considered valid and legally binding. Exclusively the content of our order form is binding with respect to the contractual content.
- 2.2 The supplier must confirm our order in writing within two (2) working days following the date of order placement. At the end of a reasonable period of time of at least 5 working days, we are legally entitled to cancel our order. Claims submitted by the supplier following a legally executed cancellation are excluded.
- 2.3 We are entitled, even after conclusion of the contract, to request modifications to the deliverables to be supplied when using equitable discretion and when the modifications requested of the supplier is not considered unreasonable.
- 2.4 The supplier may only provide information or subcontract to subcontractors if he previously concluded a confidentiality agreement with the subcontractor. Otherwise, information or subcontracts may only be subcontracted with our prior written consent.

## **3 Delivery, Service, Delay, Contractual penalty, INCOTERMS**

- 3.1 Unless agreed otherwise in writing, the deliverables will be delivered in compliance with INCOTERM DDP (Delivered Duty Paid). This also includes packaging.

The agreed deadlines for the supply of deliverables or services are contractually binding and fixed. It is to be understood that compliance with the purchase agreement for deliverables, or the service agreement for services rendered, or work contracts for work to be carried out refers to supply or execution at the agreed site of delivery or execution.

- 3.2 The supplier is obliged to take all necessary and reasonable measures to ensure that the goods are delivered to the customer in accordance with the contract. If the supplier becomes aware of specific circumstances or events which could lead to non-compliance with a delivery date or quantity, the supplier shall take all necessary and reasonable remedial actions and inform the buyer without delay. This also applies if the supplier is not responsible for the delays in delivery or performance.
- 3.3 In the case of the supply of deliverables before the agreed delivery date, we reserve the right to return the deliverables to the supplier at its expense. When the deliverables delivered too early are not returned, they are stored on site until the effective delivery date at the expense and risk of the supplier.
- 3.4 The supplier shall compensate the customer for all losses and damages, including loss of profit, resulting from non-compliance through no fault of its own pursuant to clause 7. The supplier shall compensate for loss of profit only if the delivery date has been exceeded by more than ten (10) days or if the supplier has failed to comply with an obligation pursuant to clause 3.2.
- 3.5 Should the supplier fall behind with the supply of deliverables, we are entitled, until the backlog has been remedied, to procure deliverables from other, or our own sources at the expense of the supplier and to thus reduce the delivery volume of the supplier accordingly without compensation, or the supplier may be instructed to obtain the missing deliverables from a third-party under the same price conditions as agreed with the supplier itself. Other or additional contractual and/or legal rights remain unaffected.
- 3.6 The acceptance of late delivery of deliverables or services by no means implies a waiver of a damages compensation claim or the contractual penalties.

## **4 Shipping regulations, Delivery time**

- 4.1 Packaging of deliverables shipped must be appropriate and environmentally-friendly, using suitable containers and means of transport and must comply with our corresponding shipping and packaging requirements as well as any applicable legal requirements.
- 4.2 Each delivery must be accompanied by a bill of lading. The bill of lading and all shipping documents must indicate the date of shipment, our reference, article and possible drawing number for the deliverables shipped as well as the shipping volume; should the supplier fail to comply with this requirement, then we will not be held responsible for delays in processing. Any costs caused by non-compliance to the aforementioned requirements will be reimbursed by the supplier.
- 4.3 The delivery deadline, or delivery date indicated by us in our order is contractually binding for the supplier.



- 4.4 For shipping, the applicable tariff, transport and packaging regulations of the postal service, as well as rail, road, sea or air transport regulations must always be respected. Particular attention must be paid to possibly applicable customs and hazardous substances regulations. If no specific shipping requirements have been indicated by us, then the most cost effective means of transport should be selected.
- 4.5 Should sub-contractors be involved, then these sub-contractors must indicate the supplier as their principal in all written exchanges and shipping documents as well as the above mentioned order data.

## **5 Product identification**

Deliverables shipped must be marked and identified in accordance with possibly applicable legal requirements. The supplier will transmit at an appropriate time before shipping of the deliverables all product information necessary in its latest version, in particular documents relative to composition and shelf life e.g. safety data sheets, processing instructions, marking and identification regulations, assembly instructions, work protection measures and specifications, etc.

## **6 Price, payment**

- 6.1 Contractual prices are, when not agreed otherwise in writing, fixed, free to the door prices and include all packaging and transport costs for shipment to the indicated point of reception or dispatch point as well as customs duties and formalities, etc.
- 6.2 Currently applicable value-added tax is not included in the price. The value-added tax applicable at the time of invoicing must be indicated separately in the invoice. Price increases require our written approval. The order date must be indicated in the invoice. The invoice is to be sent separately after shipping to the invoicing address indicated on the order form.
- 6.3 Unless otherwise agreed, payments shall be made within 14 calendar days of delivery/service and receipt of invoice, less 3 % cash discount or after 60 days net. The periods shall begin upon receipt of the invoice or, in case the goods are received after the invoice, upon acceptance of the goods free of faults, but in no case before the agreed goods receipt date.
- 6.4 The payment deadline begins following complete delivery or execution of services and reception by us of the corresponding invoice indicating our order number, as well as contractually applicable sales tax and VAT number of the supplier.
- 6.5 In the case of early reception of deliverables or services, the payment deadline applied is that of the originally agreed delivery date. Payment of an invoice may not be considered as waiving rights to claim for possible defects and by no means represents acknowledgement of fulfilment of contractual obligations.
- 6.6 In the case of incomplete or faulty delivery of deliverables or services, we are entitled to withhold payment, either entirely or proportionally, until the contractual commitment is fulfilled correctly. A right of retention and offset against claims from us are only applicable for the supplier when these claims are

recognized by us to be legally valid, unless the counter-claim is based on an infringement of fundamental contractual obligations (see clause 17.1) on our part.

- 6.7 If there are several claims, the supplier shall not oppose our determination of the claim to be set off.

## **7 Force majeure**

- 7.1 Should one of the parties be prevented from executing its contractual obligations for reasons of force majeure i.e. war, civil unrest, strikes, lock-outs, official interventions, lack of power supplies as well as raw materials for a period in excess of two (2) weeks, then this obligation of service is not applicable for the period during which the aforementioned obstructions exist, provided the party concerned has not accepted a procurement risk.
- 7.2 In the case where respect of the individual order due to the service hindrances listed in number clause 7.1 above is deemed impractical or unreasonable for the party concerned, then the other party is entitled to withdraw from the contract due to partial non-respect of the individual order agreement.

## **8 Property rights**

- 8.1 Should the supplier's general terms and conditions of trade include delivery under retention of title, then it is herewith agreed that this may only be considered to be a simple retention of title. In this case, the supplier authorizes us to process and sell on as part of our normal business activity.
- 8.2 An augmented and/or extended retention of title is not accepted by us.

## **9 Defect investigation, liability for defects**

- 9.1 We are only obliged to check the deliverables supplied for obvious and apparent transport damage, identification/labelling and defects. We have no obligation to carry out further investigations and give notice of defects. The supplier must compile an 8D report in case of defects.
- 9.2 We are entitled to the legally attributed claim for defects; in all cases we are entitled to request from the supplier, in case of a defect, either remedying of the defect or supply of new deliverables or services under the terms of the signed purchase or work contract. We explicitly reserve the right to claim damages, in particular the claim for damages instead of service.
- 9.3 Should we incur costs due to a breach of contractual obligations by the supplier by supplying defective deliverables, in particular, transport, shipping, labour and/or material costs, as well as costs in relation to incoming goods inspections above and beyond the normal scope of inspections, then these costs will be fully reimbursed to us by the supplier.
- 9.4 In the case whereby the defective deliverables are returned to the supplier, then the supplier will bear all risks and responsibility for decay and deterioration of the deliverables.
- 9.5 The limitation period in case of a breach of obligations due to poor performance of duties is 36 months for the

date of commissioning of the machine, in which the supplier's deliverables are incorporated at our end customer's site, with a maximum, however, of 48 months from the date of delivery/transfer of the deliverables in question. The limitation period in the case of defects of title is 10 years from the date of transfer of risk.

- 9.6 With the exception of legally applicable circumstances, the period of limitation applied to the period of limitation for claims and rights due to breach of obligation for poor performance remains suspended during the period between identification of the defect and complete remedying of said defect.
- 9.7 The supplier must, on the January 1st of each year, provide us with a long-term supplier's declaration for the deliverables supplied indicating the country of origin, part codes, customs number and weight.
- 9.8 If material defects arise in the deliverables during the warranty period, the supplier may first repeat performance within a reasonable period of time, insofar as we can be expected to accept this; we shall be entitled to determine the manner in which performance is repeated. The supplier the right to refuse our chosen manner of repeat performance under the statutory conditions.
- 9.9 Our claim for damages or compensation for futile expenses shall remain unaffected. All costs incurred for repeat performance, replacement or repair (labour/materials/transport/call-back required, etc.) shall be borne by the supplier.
- 9.10 We shall be entitled - without relieving the supplier from its obligations - to remedy a defect ourselves at the supplier's expense if danger is imminent or the case is particularly urgent or if the defects are of a minor nature and the cost of remedying them does not exceed 5 % of the net delivery price for the defective deliverables or if a disproportionately high damage in relation to the delivery price is imminent.
- In the case of defects in title, the supplier shall additionally indemnify us against any third-party claims.
- 9.11 If we are obliged to take back finished and/or sold deliverables due to a defect caused by the deliverables provided by the supplier, or offer a price reduction, or any other claims which may be brought against us for this reason, we reserve the right of recourse against the supplier, whereby there need not be a set period of time in which to lay claim to our rights in relation to the defects from the supplier.
- 9.12 Notwithstanding the aforementioned provision, the limitation period for breach of obligation due to poor performance in the form of material defects shall begin to run not less than two months after the point in time at which we have satisfied our customer's justified claims against us on account of the defect, but not more than five years after delivery by the supplier.

## 10 Assurances of suppliers, REACH, RoHS, Code of Conduct, procedure in case of breach of obligations due to poor performance

- 10.1 The supplier guarantees that all deliveries/services are state-of-the-art, comply with the relevant national and legal provisions, as well as the regulations and guidelines issued by public authorities, employers' liability insurance associations and professional associations of the laws applicable in the relevant sales markets. The supplier shall be responsible for the environmental compatibility of the delivered products and packaging materials. Insofar as it is necessary to diverge from these regulations in individual instances, the supplier is obliged to obtain our prior written consent thereto. Other obligations under purchase contracts or contracts for work, including warranties for the nature of the deliverables or work, shall remain unaffected by such consent.
- 10.2 In particular, the supplier undertakes for all substances, preparations and products (goods) delivered/supplied to us to comply with the provisions of regulation (EC) No. 1907/2006 of 18 December 2006 (REACH Regulation) and the requirements and measures resulting from directive 2011/65/EU ("RoHS").
- 10.3 In addition, the supplier undertakes to comply with the Interroll Code of Conduct, which may be consulted under the link provided hereafter, or which may be sent to the supplier by us upon request:  
<https://www.interroll.com/investor-relations/corporate-governance>
- 10.4 The scope of delivery will comprise, at no extra cost, the product specifications and/or technical documentation, conformity certificates, as well as documents required for use of the deliverables provided and operating instructions and certificates both in English as well as the language of our end customer in accordance with our order and legal requirements for identification and marking of parts, goods and/or packaging.
- 10.5 If the deliverables or the work to be performed or the service rendered do not comply with a given warranty or warranted property, the supplier shall be liable for all resulting damage, including consequential damage.
- 10.6 When we are entitled to damages due to material defects or defects of title or withdrawal from the agreement, we may claim a flat-rate sum equivalent to 10 % of the net order sum. Claims for additional damages is not excluded. The supplier is entitled to provide proof that the damages suffered due to defects or defects of title are non-existent or considerably less than the flat-rate sum.

## 11 Export control and foreign trade data

- 11.1 The supplier is aware of the fact that the export of certain goods by us e.g. due to the type of deliverables or their intended use or final destination, may require the obtaining of specific authorizations. The supplier must therefore comply with all national and international, customs and foreign trade laws and requirements for all deliverables shipped abroad or services carried out abroad. The supplier must also obtain all authorizations and certificates necessary for export unless the applicable foreign trade law requires us or a third-party, and not the supplier, to request such export documentation required.
- 11.2 The supplier must inform us in writing at the earliest



possible date before planned shipping of deliverables or execution of services of all information and data required in accordance with the applicable foreign trade law relative to import/export as well as in the case whereby the services or deliverables are further processed and re-exported. The supplier is also obliged to provide us with the following information for each individual item/service:

- (a) the "Export Control Classifications Number" in compliance with "U.S. Commerce Control List" (ECCN), as long as the deliverables are subject to "U.S. Export Administration Regulations",
- (b) all applicable export list numbers,
- (c) the statistical part number based on the current part categorization of the foreign trade statistics and HS ("Harmonized System") Code,
- (d) the country of origin (non-preferential origin) and transfer of all certificates of origin,
- (e) whether or not the deliverables are in principle suitable for application in arms, nuclear or weapons related industrial branches,
- (f) when requested by us, the export control and foreign trade data, i.e. the supplier's declaration of preferential origin (for European suppliers) or the certificate of preference (for non-European supplies).

11.3 In case of a change of origin of the deliverables, or a change in the deliverables or service properties, or a change in the applicable foreign trade law, the supplier must inform us in writing at the earliest possible time before the planned delivery date of the updated export control and foreign trade data.

11.4 The supplier will bear all justified costs for expenditures and damages (including internal processing and administration costs) caused by an error or failing in the export control and foreign trade data. The supplier is therefore obliged to release us of all possible damages due to culpable violation of the obligations stipulated in numbers 11.1 to 11.3 above. The scope of damages to be reimbursed also includes all expenditures deemed appropriate and necessary which have been or will be incurred. This includes in particular all legal defense costs, as well as all costs in relation with legal decrees or.

## **12 Product liability, exemption from liability, third-party liability insurance**

12.1 Unless agreed otherwise in writing, insofar as the supplier is responsible, as well as ourselves, to a third-party for product damage, also in external relations, the supplier shall be obliged to indemnify us against all third party claims for damages at first request if the origin lies within the supplier's organization and sphere of control. In addition to damages to third parties, the supplier's duty to indemnify shall also include the costs of reasonable legal defense, call-back costs, costs for testing and inspection, costs for replacement and our reasonable administrative costs and other expenses incurred for processing the damage.

12.2 In connection with its liability for damage pursuant to clause 12.1, the supplier shall also be obliged to refund  
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any expenses resulting from, or in connection with, a call-back campaign by us. This shall apply in particular to call-back campaigns within the scope of the law on product safety. Where possible and reasonable, we shall inform the supplier of the content and scope of the call-back measures to be undertaken and shall give the supplier the opportunity to comment. Other statutory rights shall remain unaffected.

12.3 The supplier shall be obliged to maintain product liability, product call-back and operating liability insurance with a minimum cover of EUR 5 million per occurrence of damage and independent of previous damage claims during the insured period, with an insurance company with a first-class rating. In particular, these insurance policies must also cover dismantling and installation costs, as well as inspection and sorting operations to the aforementioned sum. The supplier must maintain this insurance coverage during the entire contractual period and for an additional period of 6 months after expiry of the agreed warranty period and provide proof of this coverage by transmitting copies of the insurance policy to us. The same applies for proof that all insurance payment instalments are made on time. No or insufficient insurance coverage may be considered by us as sufficient grounds to terminate the agreement due to gross negligence.

## **13 Third-party industrial property rights**

13.1 The supplier shall be responsible for ensuring that third-party rights are not violated in connection with the supplier's delivery or performance.

13.2 If an action is brought against us by a third-party for violation of industrial property rights, the supplier shall be obliged to indemnify us against such claims at first written request. We shall not be entitled to enter into any agreements - in particular to conclude a settlement - with the third-party without the supplier's consent.

13.3 The supplier's duty to indemnify shall apply to all expenses which we necessarily incur through or in connection with the claims asserted by a third-party, especially the costs of legal defense and administrative costs, as well as all costs incurred in obtaining the necessary replacement.

13.4 If the sale of deliverables or work to us and/or their use by us is prohibited, the supplier shall at our discretion either obtain the right of use for us and at its expense, or shall modify the deliverables or work performed at its expense and in consultation with us in such a way that the violated property right is no longer applicable.

13.5 The limitation period for claims pursuant to clauses 13.1 to 13.4 above is 10 years as of conclusion of the contract.

## **14 Documents and confidentiality, protection of know-how**

14.1 All business or technical information and data of any kind which we have made available, including characteristics contained in items, documents or data provided and other know-how or experience - hereinafter collectively referred to as "information" - shall be treated confidentially by the supplier in relations with third-parties - for as long as and to the extent that

the information is not proven to be in the public domain - and may only be made available to those persons in the supplier's own company who must be able to use such information for the purpose of effecting delivery to us and who have likewise given a written undertaking to maintain confidentiality. We retain the exclusive property rights for all information.

- 14.2 Without our prior written consent, such information may not be duplicated or used for commercial purposes other than for deliveries or services for us. Our prior written consent is also required should the supplier wish to use our name, logo or other trade mark for advertising purposes during the contractual period.
- 14.3 The aforementioned agreement concerning confidentiality and use of information shall survive termination of the delivery relationship until the information or characteristic concerned lawfully enters the public domain.
- 14.4 At our request, all information or data obtained from us (including copies or records) and items provided on loan shall be returned to us immediately and completely, or destroyed and their destruction confirmed to us in writing.
- 14.5 We reserve all rights to such information and data (including copyright and the right to use industrial property rights, such as patents, industrial designs, protection of proprietary rights, etc.). If these were made available to us by third-parties, this reservation of rights shall also apply in favor of such third-parties.
- 14.6 Items produced according to documents prepared by us, or according to our confidential information, shall not be used by the supplier itself, nor offered or made available to third-parties, unless the information which we have specified has lawfully entered the public domain or is state-of-the-art.
- 14.7 Drawings, drafts etc., which the supplier has prepared on the basis of our specific information, shall become our unrestricted property without additional remuneration. Declarations to the contrary by the supplier, e.g. on documents handed over to us, shall not be binding.

## **15 Safety regulations**

- 15.1 For its deliveries and services, the supplier shall comply with applicable safety regulations and the parameters or limit values corresponding to the state-of-the-art or as agreed beyond the state-of-the-art.
- 15.2 The supplier undertakes to exclusively use materials in compliance with applicable statutory safety requirements and regulations. This shall also apply with regard to regulations designed to protect the environment. The obligation includes all regulations that are valid in the country in which the buyer has its principal place of business. In addition, this includes all regulations that are valid in the country of manufacture and - if these are different - those of the countries of purchase notified to the supplier at the time of our order.
- 15.3 If the supplier's products do not meet the requirements imposed in clause 15.1 above, we shall be entitled to rescind the contract. Further claims for damages shall remain unaffected.

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- 15.4 Planned modifications in the deliverables or performance must be notified to us in writing. They shall require our prior written consent.

## **16 Quality management system, auditing**

- 16.1 In accordance with the deliverables and services delivered, the supplier must provide comprehensible and justifiable proof that a quality management system (e.g. as in ISO 9000 ff) and environmental management system (e.g. as in ISO 14001) have been adhered to.
- 16.2 We shall be entitled to perform our own audit of the supplier or to have an audit performed by an expert of our choice. Such an audit shall comprise inspection of the supplier's company and quality assurance system, with subsequent evaluation. The resulting findings shall be used by us as the basis for placing subsequent orders and for an internal rating of the company.

## **17 Liability, exclusion and limitation of liability**

- 17.1 We shall be liable, in accordance with law, for our own intentional or grossly negligent breach of duty and intentional or grossly negligent breach of duty of our legal representatives or vicarious agents. We are also liable, in accordance with law for material breach of contractual obligations for any fault and in the event of justified impossibility as well as in the event of injury to life, limb and health for any fault also by our legal representatives or vicarious agents and any other cases of mandatory statutory liability.
- 17.2 In cases other than those indicated in clause 17.1, we shall also be liable in accordance with law for culpable breach of duty without regard for the legal nature of the claims made against us, as well as damage claims asserted against us under this contractual relationship, but not in the case of minor negligence.
- 17.3 In the event of our aforementioned liability pursuant to clause 17.2 and in the event of liability without fault, in particular in the event of initial impossibility and defects of title and also in the event of a breach of a material contractual obligation, we shall only be liable for typical and foreseeable damage, unless we or our executives or vicarious agents are accused of intentional or grossly negligent breach of duty
- 17.4 Any further liability for damages as that indicated in the numbers above, without regard for the legal nature of the claims made shall be excluded. This applies in particular for claims for damages arising from breaches of duty in the conclusion of the contract, on account of other breaches of duty or for material damage on account of tortious.
- 17.5 Exclusion with respect to limitation of liability according to the aforementioned numbers 17.1 to 17.4 shall apply to the same extent for the benefit of executive and non-executive employees and other vicarious agents as well as our subcontractors.
- 17.6 Claims by the supplier for damages from this contractual relationship may only be asserted within a preclusion period of one year as of commencement of the statutory limitation period. This shall not apply if we are culpable of malice or gross negligence.



- 17.7 There is no connection between the reversal of the burden of proof and the foregoing stipulations.

## **18 Spare parts**

- 18.1 The supplier will retain a stock of spare parts for the items delivered to us for a period of at least 10 years after delivery.
- 18.2 Should the supplier decide to stop producing spare parts for the items delivered to us, then it must inform us of this decision without delay. This decision must, under reserve of paragraph 1 – be notified at least one year before effective end of production.

## **19 Legal venues, applicable law, final provisions**

- 19.1 The terms of any Supply Contract (including these Purchase Terms and Conditions), also regarding its interpretation, shall be governed by and construed in accordance with the laws of the country (and state or province, if applicable) of Buyer's principal place of business. The purchase terms and conditions set out in the United Nations Convention for the International Sale of Goods (CISG) are hereby expressly excluded.
- 19.2 The parties agree that the courts having jurisdiction over buyer's principal place of business shall have exclusive jurisdiction and venue for any action or proceedings commenced under any Supply Contract. This choice of court agreement does not apply for claims under any other contractual or statutory antitrust damages. The parties consensually waive the right to a jury trial.
- 19.3 In the event that a claim is made against the buyer or one of its Related Companies by a third party for compensation for personal injury and/or damage to property ("Product Liability") or for infringement of industrial property rights due to a product defect, the buyer may, at its option, take the necessary procedural steps in the relevant jurisdiction to enforce any claims for indemnification or recourse against the seller. In such a case, the rights and obligations of the parties shall be governed exclusively by the law applicable at the place of jurisdiction.
- 19.4 The place of performance is generally the location of the goods specified by us in writing, otherwise the buyer's principal place of business. The place of performance for payments to us is the buyer's principal place of business.