

I. General Information, scope

- (1) Our General Terms and Conditions of Purchase (hereinafter referred to as "Conditions of Purchase") apply exclusively and govern the sale and supply of movable items ("Goods") as of the 1st November 2022, irrespective of whether the company selling the Goods to us (hereafter referred to as "Supplier") manufactures the Goods itself or procures them from a third party (§§ 433 and 650 BGB - German Civil Code). Opposing conditions of the Supplier or any other terms that deviate from our Conditions of Purchase do not become part of the contract, unless we have given our express written consent. Our Conditions of Purchase shall also apply if we accept the delivery or deliver our performance without reservation despite knowledge of opposing conditions of the Supplier which may deviate from our Conditions of Purchase.
- (2) All agreements made between us and the Supplier for the purpose of fulfilling the contract at the time of its conclusion shall be comprehensively set out and recorded in the contract plus these Conditions of Purchase in writing.
- (3) Our Conditions of Purchase shall apply only to entrepreneurs within the meaning of section 14 German Civil Code, legal entities under public law or other public corporations.
- (4) Statutory provisions shall apply insofar as they are not expressly excluded or modified by these Conditions of Purchase.
- (5) References to statutory provisions are made for clarification purposes only. Therefore, even without such clarification, the statutory provisions shall apply insofar as they are not expressly excluded or modified by these Conditions of Purchase.

II. Quotation, quotation documents

- (1) Our purchase order shall become binding only upon its submission or confirmation in writing. The Supplier shall notify us with respect to any obvious errors or omissions (e.g. typing and calculation errors) in the purchase order or corresponding order documents prior to acceptance for correction. The Supplier shall resolve with us any lack of clarity prior to conclusion of the contract.
- (2) The Supplier shall inform us in writing prior to conclusion of the contract (i) if the Goods are not exclusively suitable for the use agreed with him or known to him or recognizable for him, (ii) if special risks or unusual consequences of damage may be associated with the use of the Goods, which are known or ought to be known to Supplier (iii) if the resale of Goods by us in-country and/or abroad could infringe patents, licenses or other industrial property rights of third parties, and (iv) if the Supplier wishes to make modifications to standard products that we had previously purchased or has modified them since our last order.
- (3) The Supplier may confirm our purchase order in writing within two (2) weeks from the date of our order or fulfil our order unconditionally by dispatching the Goods (acceptance). A delayed acceptance shall be regarded as a new offer, which requires our acceptance.

III. Prices, terms of payment

- (1) The price indicated in the purchase order is binding. Any price-increase, for whatever reason, shall be inadmissible unless we have given our written consent thereto. All prices shall be understood to include statutory value-added tax, unless indicated separately. Unless otherwise agreed in writing, the price shall include Delivery Duty Paid (DDP) Schloss Holte-Stukenbrock, Germany, as per Incoterms 2020, and all services or supplementary works provided by the Supplier (e.g. assembly), plus all associated costs (e.g. orderly packaging, transportation, transport and liability insurance).
- (2) In order to be able to process Supplier's invoices, they must conform to section V (2) of these Conditions of Purchase.
- (3) Unless otherwise agreed in writing, we shall pay the purchase price within fourteen (14) calendar days with 3% cash discount, or within thirty (30) calendar days net, calculated in each case from the date of complete delivery and performance (including an acceptance test, where agreed), and the receipt of a proper invoice.
- (4) We shall not owe interest for payment (§ 353 HGB - German Commercial Code) after the above times. Any delays in payment shall be subject to the statutory provisions.
- (5) We reserve rights of setting off, retention and the right to object to an unfulfilled contract, to the extent stipulated by law. In particular, we are entitled to withhold due payments as long as we are still entitled to claims arising from incomplete, improper or non-conforming performance by Supplier. Payments made do not constitute an acceptance of the Goods and shall not release Supplier from his warranty obligations.
- (6) The Supplier shall only be entitled to rights of set-off and retention if his counterclaims have been legally established, are undisputed or acknowledged by us or are based on the same contractual relationship.

IV. Delivery date, delayed delivery

- (1) The delivery date or period stated in the purchase order is binding. The delivery date shall be calculated from the date of our purchase order. If no delivery time is stated in the purchase order and no alternative agreement has been made, performance shall be due immediately in accordance with § 271 German Civil Code.
- (2) If a fixed date of performance is set, § 376 (1) sentence 2 German Commercial Code shall not be applicable when exceeding the set date and we shall not be obliged to expressly notify Supplier that we insist on Supplier's performance in order to maintain our claim for performance. The continued existence of our claim to performance shall not affect any right of rescission to which we are unrestrictedly entitled to under the statutory provisions.
- (3) The Supplier shall notify us immediately in writing of any circumstances which occur or of which he may become aware from, that are likely to result in a delay with respect to agreed delivery dates or periods. If we subsequently agree in writing to a certain delay, this shall not affect the Supplier's delay or our resulting rights.
- (4) Reservations of self-delivery shall have no effect if the Supplier has assumed a procurement risk (cf. section IV. (8) of these Conditions of Purchase).
- (5) If the Supplier does not provide his service or does not provide it on the agreed delivery date or period, we shall be entitled to claims as per section IV (6) of this Conditions of Purchase without prejudice to our claims as further stipulated by law.
- (6) In the event of Supplier's delay, we shall be entitled to liquidated damages amounting to 0.2% per calendar day, up to a maximum of 5,0 %, each calculated from the net order value. We reserve the right to furnish proof that larger damages have been incurred, however, by counting them against the liquidated damages. The Supplier reserves the right to furnish proof that no or less damages have been incurred.
- (7) In the event of impairment of our operations (through force majeure, lockouts, strikes, internal unrest, natural disasters, pandemic, traffic emergencies, supply and export bans, boycotts or similar disruptions such as fire, water, explosion and similar) our obligations arising from the contract shall be suspended for the duration of said events. If a delivery/acceptance of performance is delayed due to aforementioned events for more than one month, both parties shall be entitled to withdraw from the contract.
- (8) In case of unascertained goods (German: Gattungsgüter), the Supplier shall at the same time assume a procurement risk, unless such a procurement risk is expressly excluded mutually.

V. Delivery, transfer of risk, documents

- (1) Delivery shall take place DDP as per Incoterms 2020, to the destination named in the purchase order. In the absence of an agreement concerning the destination, delivery shall take place DDP as per Incoterms 2020 to our registered office at 33758 Schloss Holte-Stukenbrock, Germany. The respective destination is also the place of performance for any warranty services (obligation to be fulfilled at the place of performance).
- (2) The Supplier shall precisely indicate on all order documents (e.g. invoices and delivery notes) our order number, position number, part number, type and quantity and exact description of the delivered item or service. Furthermore, the Supplier shall always indicate unit prices per item on invoices. Dispatch notices must be sent to our Goods receiving department. The Supplier shall send a delivery note with each shipment.

As possible, the Supplier shall send us the invoice on the date of dispatch.

- (3) If the Supplier fails to send the aforementioned information to the correct department, we shall not be responsible for delays in processing Supplier's invoices.
- (4) The risk of accidental loss or deterioration of the Goods shall be transferred to us upon handover. If installation or acceptance testing is agreed, contrary to section V (4) sentence 1 of this Purchase Conditions, the completion date of the entire additional services shall be the relevant date for the transfer of risk. Insofar as an acceptance of delivery has been agreed which goes beyond the acceptance pursuant to § 433 (2) German Civil Code, this shall be decisive for the passing of risk in deviation from section V (4) sentence 1 and 2 of these Conditions of Purchase. In such cases the statutory provisions of the law on contracts to produce a work shall apply mutatis mutandis.
- (5) Our delay in acceptance shall be subject to the statutory provisions. However, the Supplier must expressly offer us his service, even if a specific or determinable calendar period has been agreed for an action or cooperation on our part (e.g. provision of materials). If our acceptance is delayed, the Supplier may demand his additional expenditure in accordance with the statutory provisions (§ 304 German Civil Code). If the contract concerns a not-fungible item (custom-made, cf. § 651 German Civil Code) to be manufactured by the Supplier, the Supplier shall be entitled to further rights only if we have entered into an obligation to assist and are responsible for the failure to assist.

VI. Supplier's outgoing goods inspection, duty to notify

- (1) In order to prevent consequential damage from the delivery of defective Goods as far as possible, the Supplier is obliged to inspect outgoing Goods for defects that are identifiable through proper inspection before delivery. The Supplier is obliged to record the result of this inspection in writing and to forward it to us upon request.
- (2) If it becomes apparent to the Supplier after delivery that the Goods are defective, he shall be obliged to notify us of this defect in writing without delay. This shall apply even if the defect does not give rise to a warning based on tort and/or product liability law or a recall based on tort and/or product liability law.

VII. Inspection, liability for defects

- (1) The statutory provisions (§§ 377, 381 German Commercial Code) shall apply to the commercial obligation to perform inspections and provide notification of defects, subject to the following provision: Our obligation to inspect shall be limited to defects that are visible during external examination, including perusal of the shipping documents, as part of our incoming goods inspection (e.g. transport damage or incorrect / incomplete delivery) or during our quality control through random sampling. The involvement of third parties or an examination of the Good's chemical composition shall not be necessary. Moreover, our inspection depends on the extent it is practicable in each specific case in the ordinary course of business. Our obligation to provide notification of defects discovered at a later time shall remain unaffected. Notwithstanding our obligation to inspect, our notification obligation shall be deemed immediate and punctual if sent within ten (10) days upon discovery of defects, or upon delivery in the case of obvious defects. The notification may also be made orally.
- (2) If installation and/or instruction has been agreed, the period for inspection shall not commence until these additional services have been performed in full. If an acceptance has been agreed which goes beyond the acceptance pursuant to § 433 (2) of the German Civil Code, the period for inspection shall not commence until the successful acceptance has been completed. Defects recorded in the acceptance protocol do not have to be reported to the Supplier again separately.
- (3) A notification or complaint by us shall not be required insofar as the Supplier knew or ought to have known of the defect, in particular on the basis of its obligation to outgoing goods inspection in accordance with section VI (1) of these Conditions of Purchase.
- (4) The statutory provisions shall apply to our rights in the event of quality defects and legal defects of Goods (including incorrect or incomplete delivery or improper assembly, faulty installation or insufficient operating instructions) and other breaches of duty by the Supplier, unless otherwise agreed in these Conditions of Purchase.
- (5) According to the statutory provisions, the Supplier shall in particular be liable for compliance of the Goods with agreed specifications at the time the risk passes. In any event, those product descriptions which are - particularly if set out or referred to in our purchase order - part of the respective contract or have been included in the contract in the same way as these Conditions of Purchase shall be deemed to be agreed specifications. This shall apply irrespective of whether product descriptions originate from us, from the Supplier or from the manufacturer.

(6) Deviating from § 442 (1) sentence 2 German Civil Code, we shall be entitled to claims for defects without limitation even if the defect grossly negligent remained unknown to us at the time of conclusion of the contract.

(7) In the course of curing a defect, removing and re-installation shall be included in Supplier's obligations and costs, insofar as the Goods have been installed in or attached to another item, according to their type and purpose. Our statutory right to claim compensation of expenses incurred shall remain unaffected. The Supplier shall bear the costs incurred for the purpose of testing and curing, even if it is subsequently found that no defect attributable to the Supplier was in fact present. However, this shall not affect our liability for damages in the event of an unjustified request for curing of defects. Thus, we shall be liable only if we have recognized that no defect was present or if we did not recognize it due to gross negligence.

(8) The following shall apply without prejudice to our statutory rights and the provisions in section VII (5): We are entitled to choose either to demand that the defect is repaired or a new Good free of defects is supplied. If the Supplier does not fulfil his obligation of curing within a reasonable period set by us, we shall be entitled to remedy the defect ourselves and to demand reimbursement of necessary expenses and an appropriate advance payment from the Supplier. If the curing by the Supplier has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or an imminent threat of disproportionate damage), no time period for curing shall be necessary; we shall inform the Supplier of such circumstances immediately in advance, as possible.

(9) We expressly reserve the right to withdraw from the contract, reduce the purchase price, claim damages and in particular to claim damages in lieu of performance.

(10) If the Supplier is an intermediary for the Goods in question, he cannot exonerate himself as per § 280 (1) sentence 2 of the German Civil Code if he recognized or could have recognized the defect on the basis of his duty to inspect the Goods vis-à-vis his upstream supplier under § 377 of the German Commercial Code or its duty under section VI (1) of these Conditions of Purchase, but has nevertheless delivered the Goods to us.

VIII. Supplier recourse

(1) Our statutory rights of recourse along a supply chain - supplier recourse according to §§ 327u, 445a and 445b German Civil Code (our recourse against the Supplier in the event that we have to bear expenses in relation to our customers when curing a defect) and § 478 German Civil Code (special provision for recourse when selling consumer Goods) are available to us without limitation in addition to the primary claims for defects. In particular, we are entitled to demand exactly the kind of curing (remedy of the defect or delivery of a new Good free of defects) from the Supplier as we ourselves individually owe to our customer. This shall not limit our statutory right of choice (§ 439 (1) German Civil Code).

(2) Before we acknowledge or satisfy a claim for defects asserted by our customer (including the reimbursement of expenses pursuant to §§ 445a (1), 439 (2) and (3) and (6) sentence 2 German Civil Code), we will notify the Supplier with a brief description of the facts and request a written statement, which shall be submitted by the Supplier immediately.

(3) Our supplier recourse claims shall also apply if the defective Goods have been further processed by ourselves or another enterprise (e.g. by installation into another product).

of ARI-Armaturen Albert Richter GmbH & Co. KG**and of Armaturenwerk Halle GmbH**

(4) The provisions of § 327f German Civil Code shall apply in the relationship between the Supplier and us as if we were the consumer.

IX Corporate Sustainability Due Diligence

(1) In order to comply with our due diligence obligations in the supply chain, the Supplier undertakes to respond to our enquiries in a timely manner, to cooperate to a reasonable extent in the clarification of possible violations, and to demonstrate compliance with its own due diligence obligations in the supply chain according to the German Corporate Sustainability Due Diligence law (Lieferkettensorgfaltspflichtengesetz) upon request.

X. Product liability, indemnification, liability insurance

(1) Insofar as the Supplier is responsible for damage to a product or to persons, he is under obligation to indemnify us against claims for damages by third parties at our first request, insofar as the damage is within the Supplier's area of control and organisation and he is himself liable in external relation.

(2) Within the scope of his liability for damages pursuant to section IX (1) of this Conditions of Purchase, the Supplier is also obliged to reimburse any expenditure according to §§ 683 and 670 German Civil Code and §§ 830, 840 and 426 German Civil Code, which result from or are connected to a product recall initiated by us. Where possible and feasible, we shall notify the Supplier as to the scope and content of product recall measures and give the Supplier the opportunity to submit a statement. Other legal claims remain reserved.

(3) The Supplier undertakes to take out and continually renew a lump-sum product liability insurance policy with a sum insured of EUR 5 million per personal injury or property damage. This shall not affect further claims to which we are entitled. The Supplier shall provide us with proof of his insurance cover on request.

XI. Intellectual property rights

(1) The Supplier shall deliver Goods which are free from third-party rights and claims. In particular, the supply and use of the delivered items must not violate patents, licenses or other intellectual property rights of third parties in member states of the European Union or in other countries where the Supplier manufactures the Goods or has them manufactured by others.

(2) In the event that third parties assert claims against us due to an infringement of third-party rights as per section X (1) of this Conditions of Purchase, the Supplier shall indemnify us against such claims. The Supplier's obligation to indemnify shall cover all expenses incurred by us from or relating to a claim by a third party.

(3) The Supplier's liability and obligation to indemnify shall be waived if he is not responsible for the violation of third-party rights pursuant to section X (1) of this Conditions of Purchase and insofar as the supplied Goods are based solely on our models, diagrams, drawings, plans and other documentation, and the Supplier did not know or could not be expected to know that the manufacture of the supplied Goods constituted an infringement of intellectual property rights.

XII. Limitation period

(1) Unless otherwise stipulated below, mutual claims by the parties to the contract shall be time-barred in accordance with the statutory provisions. In any case - even if not mentioned separately - the special provision according to § 445b German Civil Code (lapse of time for recourse claims) remains unaffected.

(2) Contrary to § 438 (1) No. 3 German Civil Code, the general limitation period for claims for defects shall be three (3) years from the transfer of risk. If an acceptance has been agreed which goes beyond the acceptance pursuant to § 433(2) of the German Civil Code, the limitation period shall begin upon acceptance. The limitation periods according to legal provisions for purchase contracts shall, to the extent provided by law, apply to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation periods (§§ 195 and 199 German Civil Code) shall apply, unless the application of the limitation periods according to legal provisions for purchase contracts result in a longer limitation period.

XIII. Confidentiality, provision of materials, tools, retention of title for materials provided by us

(1) Property rights and copyrights relating to our diagrams, images, drawings, calculations, product descriptions and other documentation remain with us. Documents of this kind shall be used solely for the performance under this contract and shall be returned to us upon completion of the contract. These documents may be disclosed to third parties only with our express consent; in all other cases they must be kept strictly confidential for an indefinite period of time, even after the contract has ended. The Supplier is prohibited from subjecting our products or objects to so called reverse engineering by observing, examining, dismantling, testing or any similar process and from obtaining, exploiting or imitating the confidential information embodied therein. The duty of confidentiality shall expire only when and insofar as the knowledge contained in the documents provided has become public.

(2) Insofar as we provide parts, materials, models, tools etc. to the Supplier, the Supplier shall be obliged to check the parts and/or other materials provided by us for their suitability and to handle and store them properly.

(3) We reserve title, respectively we obtain title to any parts, materials, models, tools, etc. that we provide to the Supplier or which are manufactured for contractual purposes and charged to us by the Supplier. These items are to be designated by the Supplier as our property, carefully stored and secured against damage of any kind. The Supplier shall exclusively use such items for the production of Goods ordered by us.

The Supplier shall store all such items - insofar as they have not been processed - separately and insure them at their new value against destruction and loss (e.g. damage due to fire, water and theft). Meanwhile, the Supplier hereby assigns to us all claims arising from this insurance. We hereby accept this assignment. The Supplier shall notify us immediately in respect of disruptions relating to our models and tools.

(4) If materials provided by us are processed, mixed or combined (further processing) by the Supplier, this shall be carried out on behalf of us. The same applies if the delivered Goods are further processed by us, so that we are considered as the manufacturer and acquire title to the Goods at the latest from the time of further processing in accordance with the statutory provisions.

(5) If our reserved Goods are processed together with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our item (purchase price plus value-added tax) to the other processed items at the time of processing.

(6) If an item provided by us is inseparably mixed with other items not belonging to us, at the time of mixing we shall acquire co-ownership of the new item in the ratio of the value of the reserved item (purchase price plus value-added tax) to the other mixed items. If the items are mixed in such a way that the Supplier's item can be regarded as the principal item, the parties hereby agree that the Supplier shall transfer proportionate co-ownership to us. The Supplier shall retain the sole ownership or co-ownership for us free of charge.

IX. Supplier's retention of title

(1) We acquire ownership of the Goods upon delivery.

(2) If, however, contrary to section XIII. (1) of these Conditions of Purchase, the Goods are transferred to us by the Supplier subject to the condition of full payment of the purchase price, such retention of title shall expire at the latest upon payment of the purchase price for the Goods delivered and the retention of title shall only have the effect of a simple retention of title (German: einfacher Eigentumsvorbehalt). In this case, however, we are nevertheless entitled to resell the Goods in the ordinary course of business even before payment of the purchase price; we assign the claims arising from the resale, which we remain authorized to collect, to the Supplier, who hereby accepts the assignment.

(3) All further reaching forms of retention of title are excluded, in particular the extended retention of title, the passed-on retention of title extended to resale and the retention of title extended to further processing.

X. Spare parts

The Supplier shall keep spares for a period of at least ten (10) years after the last delivery to us of the Goods concerned.

XI. Non-assignment

Subject to § 354a of the German Commercial Code, the Supplier is not entitled to assign his claims arising from the contractual relationship to third parties.

XII. Place of performance, place of jurisdiction, applicable law

(1) If the Supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a public corporation, the court with jurisdiction for 33758 Schloss Holte-Stukenbrock, Germany, shall have exclusive jurisdiction, including international jurisdiction, for all legal disputes arising out of or relating to the contractual relationship between us and the Supplier. The same shall apply if the Supplier is an entrepreneur within the meaning of § 14 German Civil Code. However, we shall also be entitled to initiate proceedings against the Supplier at the competent court at the Supplier's general legal venue, or at the place of performance of the obligation to deliver, in accordance with these Conditions of Purchase. Overriding statutory provisions in respect of exclusive jurisdiction shall not be affected.

(2) Unless otherwise stated in the purchase order, the place of performance shall be our registered office. The same shall apply to the rescission of contracts.

(3) The law of the Federal Republic of Germany shall apply exclusively to the contractual relationship between us and the Supplier, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

XIII. Miscellaneous

(1) If provisions of these Conditions of Purchase are or become wholly or partially ineffective, the other provisions shall continue to be effective.

(2) Neither a handwritten signature nor an electronic signature is required in order to comply with the written form. Communications by fax or e-mail as well as other electronic communications shall be deemed to be in writing.

(3) This Conditions of Purchase are made out in two counterparts, German and English. However, the English version is for information and translation and convenience purposes only. In any case of discrepancy between the two versions, the German version (which is available to the Supplier on request) shall prevail. The German Federal Ministry of Justice offers English translations of German laws free of charge.

Effective 2022-11