

## **General Purchase Terms and Conditions of Betz-Chrom GmbH**

### **I. Scope of application, conflicting terms, future transactions, overriding agreements**

1. These General Purchase Terms and Conditions ("**General Purchase Terms**") apply to all contracts we conclude with our suppliers and contractors ("**Supplier(s)**") including our related orders and acceptance confirmations.
2. The General Purchase Terms apply exclusively. Supplier terms conflicting with or deviating from the General Purchase Terms will not be accepted, unless we have specifically approved them in the particular case. This also applies where, being aware of Supplier business terms contrary to or deviating from the General Purchase Terms, we have unconditionally accepted Supplier's deliveries and services.
3. In ongoing business relationships, the General Purchase Terms will also govern all future transactions between Supplier and us, whether or not their application has been expressly agreed again.
4. Any agreements negotiated individually with Supplier (including individually negotiated side agreements, amendments and changes) as well as any conflicting terms in our orders or acceptance confirmations take precedence over the General Purchase Terms.

### **II. Written form/text form, orders, formation of contract, modifications**

1. All orders and acceptance confirmations, changes and other side agreements and arrangements made prior to or at conclusion of the contract must be set forth in written form or text form (for example letter, fax, e-mail, together "**written form**" or "**in writing**") to become legally effective.
2. Supplier shall confirm our orders without delay by email to [beschaffung@betz-chrom.de](mailto:beschaffung@betz-chrom.de), stating the order number. Unless otherwise stated or agreed, we remain bound by our orders for two weeks.
3. Supplier shall alert us to any contradictory, incorrect or incomplete information about the goods or services in the order and await written clarification from us before dispatching the order confirmation or starting to perform the contractually agreed services.
4. Without our prior consent, Supplier shall not make any modifications, for example to the design, the composition, the method of dispatch or the packaging of the goods.

### **III. Prices, invoicing, payment terms, setoff and retention rights**

1. The prices indicated on our orders are fixed prices. Unless agreed otherwise, the prices are inclusive of delivery "DDP place of fulfilment" (INCOTERMS 2020) as set out in section V.2 and inclusive of all expenditures in connection with the deliveries and services owed by Supplier, in particular but not limited to the cost of any inspection, acceptance, documentation, preparation of technical documents, packaging, shipping, customs and border clearance charges, and insurance.

Where "DDP place of fulfilment" has not been agreed and Supplier is obliged to dispatch the goods, Supplier shall choose the most economic shipping method.

Where the agreed price is not "inclusive of packaging", the packaging shall be billed at cost.

2. Invoices shall be submitted in verifiable format by email to [buchhaltung@betz-chrom.de](mailto:buchhaltung@betz-chrom.de). Invoices shall indicate the product number and product name, our order number, the order date, the shipping note number and the date of the delivery or service.

3. Unless agreed otherwise, payment shall be made within 14 days with a 2% discount, or within 30 days net, after delivery or, for work results, after acceptance and receipt of a due and proper invoice as set out in section III.2.
4. Any invoice failing to meet the criteria of section III.2 may be rejected by us, in which case the beginning of the above periods for payment shall be determined by the date of receipt of the new, duly prepared invoice. In the event of early delivery or services the agreed date of delivery or service shall take the place of delivery or service for the calculation.
5. Our rights of setoff and retention are governed by the applicable laws.

**IV. Delivery dates and deadlines, pre-schedule deliveries and delivery by instalments, excess and short delivery, late delivery**

1. All dates and times for deliveries and services as indicated by us and/or as agreed are binding.
2. Unless agreed otherwise, deliveries are “DDP place of fulfilment” (INCOTERMS 2020) as set out in section V.2. Where “DDP place of fulfilment” has not been agreed, Supplier shall provide the goods in a timely manner considering the time commonly required for loading and dispatch and, if applicable, arrange for their dispatch with the carrier designated by us.
3. Pre-schedule deliveries and services, delivery/services by instalments as well as excess and short delivery are permitted only with our consent and must be identified accordingly in the shipping papers.
4. Supplier shall advise us in writing without delay of any foreseeable delay in deliveries and services, indicating the reasons and the anticipated duration of the delay. This applies also in any event of force majeure, operational disruption, shortage of raw materials, etc. If Supplier fails to so notify us at all or in a timely manner, Supplier will be liable for any loss incurred by us unless Supplier is not responsible for the absence of a (timely) notification.

**V. Labelling/packaging, place of fulfilment for deliveries and services, shipping note**

1. All goods shall be duly and properly packaged and labelled in accordance with our instructions. Supplier will be liable for any loss incurred by us as a result of Supplier having packaged or labelled the goods improperly or contrary to our instructions, unless Supplier is not responsible for the goods having been packaged or labelled improperly or contrary to our instructions. Where Supplier is obligated to take back transport packaging in accordance with the German Packaging Act (*Verpackungsgesetz*) or foreign legislation, Supplier shall retrieve the packaging from the place of fulfilment at Supplier's expense.
2. Unless agreed otherwise and notwithstanding the provisions of section III.5, the place of fulfilment for all deliveries and services shall be the place of delivery indicated on the order. If no place of delivery is indicated on the order, the place of fulfilment shall be at our registered office in Gräfelfing.
3. Every delivery of goods must include a shipping note indicating our order number and describing the content of the delivery by our product number(s) (if stated on the order), the nature and the quantity of the goods. Supplier shall reimburse us for any cost incurred as a result of culpable noncompliance with the above provisions.

**VI. Supplier's rights of retention, setoff and assignment**

1. Supplier has a right of retention with respect to deliveries of goods or work results only on the basis of claims from the same contractual relationship that are undisputed or have been established by final enforceable judgment. Any setoff by Supplier shall only be permitted on the basis of Supplier counterclaims that are undisputed or have been established by final enforceable judgment.

2. Supplier shall not assign its claims against us or have them collected by a third party, unless Supplier has granted its supplier an extended reservation of title in the ordinary course of business. Nothing in this shall prejudice Sec. 354a HGB (*German Commercial Code*).

#### **VII. Passage of title, processing of delivered goods prior to the passage of title**

Where a reservation of title has been agreed for delivered goods, the title passes to us at the latest upon payment for such goods. We have the right to process, sell or otherwise dispose of delivered goods in the ordinary course of business, including before the passing of the title.

#### **VIII. Quality requirements, compliance with legal requirements, in particular RoHS / CE marking, REACH, Code of Conduct**

1. Supplier in its deliveries and services is responsible for observing the current state of the art and the agreed technical data and specifications, without prejudice to further duties as may exist.
2. Supplier, at its expense, is responsible to ensure compliance of its deliveries and services with all applicable requirements of European and national law governing the lawful distribution within the European Economic Area, Great Britain and Switzerland, in particular but not limited to the Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) as applicable from time to time and the national transposition measures. Where required by law, goods must be provided with a CE marking (for example electrical and electronic equipment) and must be labelled and packaged in compliance with the applicable legal requirements. For any delivery of electrical and electronic equipment, Supplier shall proactively and at Supplier's expense provide us with a current EU declaration of conformity prior to the delivery and shall continually update the declaration in the event of ongoing business relationships. In particular, Supplier further shall at all times comply with all requirements of the Regulation (EC) No. 1907/2006 concerning the handling of chemicals (REACH) as applicable from time to time. Supplier shall be liable to us under the law for any and all losses and costs caused by any breach of these obligations, and shall indemnify us against third party claims in this respect.
3. Supplier shall comply with all other national, European and international laws applicable to the deliveries and other services, in particular but not limited to environmental protection, health and safety protection (including any minimum wage), product safety, anticorruption, antiterrorism, and data protection legislation, as applicable from time to time, at Supplier's expense. Supplier will not take part in any child labour scheme, be it actively or passively, directly or indirectly.
4. Supplier shall comply with our Code of Conduct, available at <https://www.betz-chrom.com/company/directives-regulations/>.

#### **IX. Notification of defects, warranty, time bar on warranty claims**

1. Our warranty rights are governed by the applicable laws, as amended by the terms of this section IX. and section X.2.
2. For deliveries of goods, we shall report any obvious defects to Supplier within 14 days after delivery and any hidden defects within ten days after their discovery.
3. Supplier shall bear all necessary expenditures in connection with determining and removing defects, including expenditures incurred by us. Where the defective goods have been incorporated in or attached to another product in accordance with their nature and intended purpose Supplier, as part of the duties of remedial action, shall at our discretion either undertake the removal of the defective item and fitting or attachment of the repaired or delivered defect-free item at Supplier's expense, or reimburse us for the necessary expenditures.
4. We may at our discretion choose between the removal of a defect or delivery of a replacement or, where work results are concerned, the completion of a new work result.

5. Our warranty rights become time-barred 24 months after the beginning of the statutory limitation period; nothing in this shall prejudice any suspension or interruption of the limitation period as may be provided by law.

**X. IP rights, indemnification, time bar**

1. Supplier grants us non-exclusive, perpetual, worldwide, irrevocable and assignable rights of use in all deliverables and work results eligible for intellectual property protection in order to integrate them in other products, distribute them and make them available to the public on the internet. In particular but without limitation, this includes the right to modify, adapt or otherwise transform the deliverables and work results for purposes of integration and to distribute the deliverables and work results in the original or in a modified, adapted or transformed form.
2. Supplier shall indemnify us against any and all claims of third parties resulting from any infringement of patents, copyrights, design rights, trademark rights, name rights and other intellectual property rights and applications for intellectual property rights through the contractually agreed use of the deliverables and work results, unless Supplier is not responsible for the infringement of rights. This applies equally to all necessary expenditures incurred by us in connection with any such third party claims, in particular the costs of legal defence.
3. Where Supplier may be held liable under this section X.2, Supplier will be liable for all consequential losses incurred by us, particularly as a result of shortage of supplies and disruptions of production. The time bar on these claims is governed by section IX.5.

**XI. Supplier's liability for product damage, recalls, insurance**

1. Except as provided otherwise in these General Purchase Terms, the liability and time bars are governed by the applicable laws. Supplier liability limitations and liability disclaimers will not be accepted.
2. In the event of any product damage, Supplier will indemnify us against any third party claims, provided the cause of the damage falls within Supplier's sphere of control and organisation and Supplier is liable in relation to third parties.
3. In the event of any necessary recall and/or recall ordered by the authorities or other actions required to avert danger to individuals or property of third parties, Supplier is liable for all expenditures, costs and losses incurred by us as a result of such recall or other action. Supplier shall indemnify us against any such third party claims where the cause of the recall or other action is lack of conformity of the deliverables and/or packaging or services with the contract, particularly lack of conformity with the agreed specifications or contractual representations or a product defect, unless Supplier is not responsible within the meaning of section XI.2 above. Nothing in this shall prejudice any further rights or remedies we may have.
4. Without prejudice to any further duties, Supplier shall notify us without delay if Supplier becomes aware of any specific circumstances with a view to the goods delivered or services rendered that necessitate a recall or other action according to section XI.3 above by us or by Supplier and/or establish a relevant risk of product liability. The contracting parties shall seek to coordinate the further steps while we will have the right to take the final decision on a voluntary recall campaign. Nothing in this shall prejudice any statutory reporting duties of the contracting parties.
5. Supplier shall at Supplier's expense and at least for the duration of the business relationship maintain liability insurance, including product liability insurance, providing for adequate coverage for Supplier's deliveries and services; the product liability insurance shall provide a minimum cover of EUR 5 million per claim for personal injuries and property damage (including exclusive pecuniary losses) and a maximum annual indemnity limit of no less than EUR 5 million. Copies of the insurance policies shall be submitted to us upon request.

**XII. Confidentiality, advertising**

1. Supplier shall treat confidential any trade secrets that we made available to Supplier or which come to Supplier's knowledge under the business relationship with us, unless they (i) were in the public domain at the moment of their disclosure or become public domain thereafter, (ii) are disclosed to Supplier by a third party without breaching any nondisclosure obligation, or (iii) were in Supplier's possession or known to Supplier at disclosure. Trade secrets include our internal procedures, knowhow, business strategies, business plans and digitally embodied information, regardless of whether the information identified as "confidential" or "classified", whether it is of any special economic value to Supplier or whether we have any other technical or organisational measures in place to protect confidentiality. Supplier may use the trade secrets only to fulfil Supplier's obligations under this contract and shall without delay return all trade secrets to us at our request.
2. Supplier may not advertise the business relationship with us or use it for reference purposes, except with our express consent.

**XIII. Severability, governing law, forum**

1. If any of the provisions of these General Purchase Terms are wholly or partially invalid, nothing in this shall prejudice the validity of the remaining terms and of the contract with Supplier in its entirety.
2. The governing law shall be German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
3. The place of jurisdiction for all disputes arising between Supplier and us shall be at the ordinary courts of law at our registered office in Gräfelfing if Supplier is a trader or a legal person under public law or if Supplier has no general place of jurisdiction in Germany. We have the right, however, to sue Supplier in any other court having legal jurisdiction. Nothing in this shall prejudice the validity of any legal provisions on exclusive jurisdiction.

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