

# HUMMEL AG Terms of Purchase

## § 1 General, Scope of Application

- Our Terms of Purchase apply exclusively. We shall not recognize any of the supplier's terms conflicting with or diverging from our own Terms of Purchase, unless we have expressly agreed in writing to their application. Our Terms of Purchase shall also apply even if we accept the supplier's delivery unconditionally, despite being aware that the supplier's terms conflict with or diverge from our own Terms of Purchase. This shall not apply for individual agreements reached on a case-by-case basis.
- All and any agreements reached between ourselves and the supplier must be done in writing. This clause on written form also expressly applies to ancillary agreements. Waiving written form must likewise be done in writing. Only orders bearing a signature are valid.
- These Terms of Purchase only apply to entrepreneurs within the meaning of Sect. 14 of the German Civil Code.
- In the case of continuous business relationships, these Terms shall also apply to all future transactions, unless other arrangements are expressly agreed.

## § 2 Quotation Documents

We reserve title to and copyright in all drawings, drafts, models, matrixes, samples, etc. which we provide to the supplier for drawing up a quotation or for carrying out an assignment. Unless it has our written permission to do otherwise, the supplier expressly undertakes not to allow third parties to inspect the items put at its disposal, nor to make them available or otherwise accessible to third parties, nor to supply the goods manufactured from them to third parties without our written consent, either in a raw state or as finished or semi-finished products. After the order has been completed, they are to be returned to us unsolicited.

## § 3 Assignments

- All payments shall be made solely to the supplier. Assigning payments to third parties is excluded.
- Without our prior written permission, the supplier is not entitled to contract out the order or essential parts of the order to third parties.

## § 4 Prices

- The prices are fixed prices and include statutory value-added tax [Mehrwertsteuer]. They are free of charges to the place of receipt specified by us. Any price changes must be expressly acknowledged by us in writing. We shall not be bound by any obvious flaws, spelling mistakes or calculation errors in our orders.
- Packaging costs shall only be paid separately if this has been expressly agreed in writing. If we send back the packaging freight paid, the costs are to be credited to us again.

## § 5 Delivery Period

- The agreed delivery dates are to be met.
- The supplier is under obligation to immediately notify us in writing if circumstances occur or become evident which will mean that the agreed delivery date cannot be met.
- We are entitled to our statutory rights in the event of default in delivery. In particular, after a reasonable period of grace has expired to no avail, we shall have the right to demand compensation for non-performance.
- If the supplier culpably exceeds the agreed delivery date, then for each week of delay commencing it shall pay the customer a contractual penalty of 1% of the value of the goods included in the respective order (but totaling 10% of the value of the goods at the most), unless the supplier is able to prove that losses are less or non-existent. The contractual penalty shall be offset against any claim to damages for default. The right to claim damages going beyond this remains unaffected. In particular, we shall still be entitled to our statutory rights.

## § 6 Delivery Note

A delivery note in duplicate quoting our full order number is to be enclosed with all consignments, or attached to the bill of lading in the case of loose consignments.

## § 7 Inspection for Defects, Warranty, Liability

- We are under obligation to inspect the goods within a reasonable period for any deviations in quality or quantity; notices of defects in accordance with Sect. 377 of the German Commercial Code [HGB] shall be deemed filed in good time if they are sent off within 10 days of the defect's discovery.
- We are entitled to full warranty claims without exception. Irrespective of this, we have the right to demand that the supplier eliminate the defect or make a replacement delivery, at our option, in which case the supplier shall be under obligation to pay all the costs required in order to eliminate the defect or deliver the replacement. We expressly reserve the right to claim compensation, in particular compensation for non-performance.
- The warranty period is 24 months from the date of passing of risk, unless some longer period is laid down by law.
- If the supplier is responsible for damage to a product, it shall be under obligation to release and discharge us from third-party compensation claims in this respect on first demand, insofar as the cause lies within its area of control or organization and the supplier itself bears liability externally (i.e. vis-à-vis third parties). In this context, the supplier is also under obligation to refund any expenditures pursuant to Sect. 683 and Sect. 670 of the German Civil Code which result from or in connection with any product recall we carry out. Insofar as is possible and may reasonably be expected, we shall inform the supplier about the content and scope of any recall measures to be carried out, and give it an opportunity to comment.
- The supplier undertakes to maintain a product liability insurance policy providing for blanket coverage of EUR 5 million for personal injury and material damage; any compensation claims to which we are entitled beyond this shall remain unaffected.

## § 8 Passing of Risk

Orders are to be delivered free to our address. Consignment shall be at the supplier's risk. The entire risk of deterioration – including accidental destruction – shall thus remain with the supplier until the consignment is delivered to the address or place of use designated by us.

## § 9 Invoicing

Invoices are to be sent to us in duplicate immediately after the goods have been dispatched. The invoice must state our full order number, the date of order, the delivery note number, the numbers on the packages, boxes or barrels, and the quantities of goods charged, broken down into individual categories. Each invoice may only relate to a single delivery note.

## § 10 Payment

Discounts shall be 3% for payment within 14 days of receipt of the goods and invoice, and 2% for payment within 30 days; otherwise payment shall be net cash within 60 days.

## § 11 Place of Performance, Venue

- Place of performance is the place of receipt named by us.
- If the customer is a registered merchant, exclusive venue for all and any disputes arising directly or indirectly from the contractual relationship shall be at the location of our registered headquarters in 79211 Denzlingen. However, we are entitled to file claims at any other admissible place of jurisdiction.
- The supplier is to service and maintain the tools at its own expense, and renew them if necessary during their agreed lifetime (technical useful life). For renewed tools, Item 12.3. shall apply by analogy.
- Without our written permission, the supplier may neither pass the tools on to third parties, nor use them for its own or for other parties' purposes.
- In addition, the above "Terms of Purchase" shall apply.

## Terms of Purchase for Tools

### 12. Place of Performance, Venue

The following "Terms of Purchase for Tools" apply to any parts ordered in whose manufacture the supplier is required to use tools to be paid for by us:

- The following terms apply if the supplier, in the context of orders for parts placed by us either now or later, makes the parts using tools that have been manufactured at our expense by agreement. Tools within the meaning of these terms include all manner of tools, such as punching and cutting tools, injection molds, die-casting molds, pressing dies, compression molds, permanent molds, models, forming dies and suchlike.
- The tools shall become our property on being purchased or manufactured by the supplier. Delivery of possession shall be substituted by gratuitous safekeeping by the supplier, whereby Sect. 690 of the German Civil Code shall not apply. When title to the tools passes to us, we shall also acquire the right to provide the tools to third parties for manufacturing parts for us, as well as the right to repair, renew or modify the tools for our own purposes or to have this done by third parties. On principle, we undertake to leave the tools in the supplier's safekeeping. However, we shall be entitled to remove the tools if the parts fail to be delivered to schedule, in order, or at fair market prices.