

## 1. Scope of application, form

(1) These General Terms and Conditions of Purchase (GTCP) apply to all business relationships with our business partners and suppliers ("Seller"). The GPC shall only apply if the Seller is an entrepreneur (Section 14 of the German Civil Code (BGB)), a legal entity under public law or a special fund under public law.

(2) The GPC apply in particular to contracts for the sale and/or delivery of movable goods ("Goods"), irrespective of whether the Seller manufactures the Goods itself or purchases them from suppliers (Sections 433, 651 BGB). Unless otherwise agreed, the GTCP in the version valid at the time of the Buyer's order or in any case in the version last communicated to him in text form shall also apply as a framework agreement for similar future contracts without us having to refer to them again in each individual case.

(3) These GTCP shall apply exclusively. Deviating, conflicting or supplementary General Terms and Conditions of the Seller shall only become part of the contract if and to the extent that we have expressly agreed to their validity in writing. This requirement of consent shall apply in any case, for example even if we accept the Seller's deliveries without reservation in the knowledge of the Seller's General Terms and Conditions.

(4) Individual agreements made with the Seller in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these GPC. Subject to proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of such agreements.

(5) Legally relevant declarations and notifications by the seller in relation to the contract (e.g. setting a deadline, reminder, cancellation) must be made in writing, i.e. in written or text form (e.g. letter, email, fax). Statutory formal requirements and further evidence, in particular in the event of doubts about the legitimacy of the declaring party, remain unaffected.

(6) References to the validity of statutory provisions are for clarification purposes only. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these GPC.

## 2. Order and right of amendment

(1) Contracts (order and acceptance) and call-offs as well as their amendments and supplements must be concluded or made in writing.

(2) If the contractual partner does not accept the order within five working days of receipt, HWA shall be entitled to cancel the order. Calls shall become binding at the latest if the contractual partner does not object within five working days of receipt.

(3) The seller is obliged to confirm our order in writing within a period of 5 working days or to dispatch the goods within this period.

(4) HWA is entitled to demand changes to the contractual services within the scope of reasonableness. HWA shall consult with the contractual partner in this regard. The contractual partner shall immediately inform HWA about the effects of changed contractual services on the remuneration and the time frame. If a change in the remuneration or the completion date is considered, this shall be jointly recorded in writing. Otherwise, the remuneration and schedule shall remain unchanged.

## 3. Prices, terms of payment, invoicing

(1) The price stated in the order is binding. All prices include statutory value added tax if this is not shown separately.

(2) Unless otherwise agreed in individual cases, the price shall include all services and ancillary services of the Seller (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance).

(3) The agreed price shall be due for payment within 30 calendar days of complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If we make payment within 14 calendar days, the Seller shall grant us a 3% discount on the net amount of the invoice. In the case of bank transfer, payment shall be deemed to have been made on time if our transfer order is received by our bank before expiry of the payment deadline; we shall not be responsible for delays caused by the banks involved in the payment process.

(4) We do not owe any interest on arrears. The statutory provisions shall apply to default in payment.

(5) We shall be entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent permitted by law. In particular, we are entitled to withhold due payments as long as we are still entitled to claims from incomplete or defective services against the seller. In the event of defective delivery or performance, HWA shall be entitled to withhold payment pro rata until proper fulfilment.

(6) The Seller shall only have a right of set-off or retention on the basis of legally established or undisputed counterclaims.

(7) As a matter of principle, the Purchaser shall use the invoicing procedure. Invoices shall be sent by the Supplier exclusively in electronic form as follows: If the contracting parties have agreed on electronic invoicing, the Supplier shall ensure that the original invoice is already issued electronically. The invoice must be sent in PDF format to [invoice@hwaag.com](mailto:invoice@hwaag.com).

(8) Information on invoicing, invoice payment and the current guidelines is available at [invoice@hwaag.com](mailto:invoice@hwaag.com). In justified exceptional cases, the Supplier shall send its invoices in paper form to the following address after consultation with the Purchaser's accounts payable department:

*HWA AG, Accounts Payable, Benzstraße 8, D-71563 Affalterbach*

(9) The invoices must be submitted to the purchaser in a verifiable form, stating the supplier number, order number, delivery note number, HWA material number, unloading point and name of the contact person. All necessary invoicing documents must be enclosed. Invoices must be issued in accordance with German VAT law. Accounting documents in the form of credit notes, direct debits and payment advice notes shall be made available to the supplier electronically.

(10) Payment is made by bank transfer. Questions regarding payment are handled exclusively by the accounts payable department. This can be contacted by e-mail at [invoice@hwaag.com](mailto:invoice@hwaag.com) or by telephone on +49 (7144) 8717-0 from 8:00 to 16:30 from Monday to Friday.

#### **4. Service provision, inspection and notification obligations**

(1) The seller shall ensure compliance with the requirements of the QAA as well as any specifications of HWA AG and the applicable guidelines listed therein.

(2) The contractual partner is obliged to provide the contractual services in such a way that they have the properties described in the contract or call-off together with the annexes and are free from defects that cancel or reduce the value or suitability for the usual or contractually stipulated use. The contractual services shall be rendered on the basis of the current state of science and technology and with the care customary in the industry, but at least with the care of a prudent businessman. Relevant statutory and official regulations must be observed. The status at the time of execution of the respective contractual services shall be decisive. The results of the contractual performance must be recognised worldwide, in particular in Europe (geographically), USA (including California), Canada, Australia, New Zealand, Japan, India, the Republic of South Africa, the GSO states (United Arab Emirates, Saudi Arabia, Bahrain, Oman, Qatar, Kuwait), China, South Korea, Hong Kong, Taiwan, Brazil, Thailand, Mexico, Russia and EAEU (Eurasia Economic Union: Russia, Belarus, Armenia, Kyrgyzstan, Kazakhstan) comply with all legal approval regulations applicable to the delivery items, the applicable safety requirements, testing regulations, environmental laws and regulations (including emission and certification regulations and legal disclosure requirements) and labelling regulations.

(3) The contractual partner shall perform at the location specified in the contract or call-off order together with the annexes or in another written agreement.

(4) Partial services require the prior written consent of HWA and must be contractually agreed.

(5) If the contracting party has concerns about the intended type of execution or about the materials, studies, preparatory work or documents provided by HWA, HWA shall be notified thereof in writing without undue delay. The same applies if the contracting party recognises or must recognise that other information or requirements of HWA are incorrect, incomplete, ambiguous or not suitable for execution.

(6) If changes or improvements become recognisable as expedient or necessary during the provision of services, the contractual partner must inform HWA of this immediately in writing and obtain a decision on a possible change to the contractual services.

(7) HWA shall be entitled, for justified reasons (e.g. in the event of non-compliance with agreements, milestones, etc. by the contractual partner), to review the performance of the contractual services by the contractual partner during normal business hours and to inspect the materials, documents and performance results that are directly or indirectly related to the contractual services.

(8) If the type and scope of the tests as well as the test equipment and methods have not been firmly agreed between the seller and HWA AG, HWA AG shall be prepared, at the seller's request, to discuss the tests with the seller within the scope of its knowledge, experience and possibilities in order to determine the required state of the art in testing technology in each case

(9) In the case of motor vehicle parts specially labelled in the technical documents or by separate agreement, for example with "DZ"/"DS", the seller must also record in special records when, in what way and by whom the delivery items were tested with regard to the characteristics requiring documentation and what the results of the required quality tests were

have. The inspection documents must be kept in accordance with HWA AG's QAA and submitted to HWA AG if required. The Seller shall oblige upstream suppliers to the same extent as permitted by law. For guidance, reference is made to VDA Volume 1 "Documentation and Archiving - Guidelines for the documentation and archiving of quality requirements".

If authorities responsible for motor vehicle safety, exhaust emission regulations or similar require HWA AG to inspect the production process and test documents in order to verify certain requirements, the seller agrees, at the request of HWA AG, to grant them the same rights in his company and to provide all reasonable support.

## **5. Provision of services by third parties**

(1) The contractual partner is not authorised to have the contractual services or parts thereof performed by subcontractors. Exceptions require the prior written consent of HWA.

(2) In any case, the contractual partner shall observe the relevant laws and regulations, in particular labour and social law, when using subcontractors. The contractual partner shall indemnify HWA against all claims of third parties in connection with the use of subcontractors. The contractual partner shall be liable for the acts and omissions of the subcontractors as for its own acts and omissions.

## **6. Employee deployment, minimum wage and foreign deployment**

(1) The contractual partner shall only deploy personally and professionally qualified employees to fulfil the contractual services and tasks specified in the order. This shall also apply if employees are replaced. In this respect, the contractual partner shall bear the consequences, in particular all costs of the replacement of employees and the training of replacement employees.

(2) The contractual partner shall appoint a contact person responsible for the commissioned contractual services to HWA, who shall manage the commissioning and conduct the main communication with HWA (representative). If required by the scope and/or complexity of the order, several representatives may be appointed by HWA and the contracting party. The contracting party is obliged to notify HWA in writing of any representatives in advance. HWA must also be notified in writing in advance of any change of representatives.

(3) The contractual services shall be provided under the responsible management of the contractual partner. The contractual partner shall retain the sole professional, personnel and disciplinary authority to issue instructions to the employees deployed by the contractual partner within the scope of the subject matter of the contract.

(4) When deploying foreign employees, the contractual partner is obliged to ensure that they have a valid residence permit authorising them to pursue gainful employment. Upon request, a valid work permit in accordance with the applicable regulations must be presented to HWA.

(5) The contractual partner undertakes to pay its employees at least the legally prescribed or contractually agreed minimum wages. The contractual partner further undertakes to only commission subcontractors who also contractually undertake to pay their employees at least the legally prescribed or contractually agreed minimum wages. The contractual partner shall oblige the subcontractors commissioned by it accordingly.

(6) In the event of a violation of the provisions of the German Minimum Wage Act (hereinafter: "MiLoG"), the contractual partner undertakes to indemnify HWA comprehensively from all obligations associated with such a violation and, in addition, to compensate HWA for any damage resulting from a culpable violation. The same obligation applies to the contractual partner if a subcontractor commissioned by the contractual partner violates the provisions of the MiLoG. If a claim for payment of the statutory minimum wage is asserted against HWA by an employee of the contractual partner, the contractual partner undertakes to provide HWA with all information necessary for the defence against the assertion of the claim and any action for payment. This shall also apply after termination of the contractual relationship between the contractual partner and HWA. The contracting party undertakes to oblige subcontractors engaged by it accordingly and to provide the necessary information to HWA without delay if an employee of the subcontractor asserts claims against HWA.

(7) If the contractual partner deploys its employees abroad in the performance of the contractual services and tasks specified in the order, it warrants that it will comply with all labour, immigration, tax, social security and other obligations under national and foreign law addressed to it. HWA shall inform the contractual partner in due time about the respective place of fulfilment.

(8) In addition, the contractual partner undertakes to fully indemnify HWA against all claims of third parties resulting from the contractual partner's breach of its obligations under Section 6.8 and to compensate HWA for any damage resulting from a culpable breach of these obligations.

(9) The contractual partner shall ensure compliance with all national and international occupational health and safety standards and laws applicable to the operating site (in particular occupational safety, health protection, working hours). At the request of HWA AG, the supplier is obliged to introduce and operate an effective, certified occupational health and safety management system in accordance with ISO 45001 (or comparable) and to provide evidence of this by submitting a corresponding certificate and an occupational health and safety guideline. The supplier must organise working hours (overtime and maximum working hours, rest periods, work schedules, maternity/parental leave, sick leave, leave for family reasons, paid overtime) in such a way that occupational accidents as a result of

physical and mental fatigue are avoided and employees' health is maintained. This principle also includes temporary work, the secondment of employees and outsourced work.

## **7. Dates, deadlines and contractual penalty**

(1) The performance and delivery periods and dates (hereinafter referred to as "milestones") shall be specified in the contract, order or call-off together with the annexes or in another written agreement and shall be binding. As soon as one of the contracting parties recognises that agreed milestones cannot be met, it shall notify the other contracting party immediately and give reasons for the delay. The contracting parties shall jointly discuss the effects of the missed deadline and possible remedial measures. Unless otherwise agreed, the statutory default provisions shall apply to delays caused by the contracting party.

(2) In all other respects, the statutory default rules shall apply.

(3) If a contractual penalty is agreed in the contracts and call-offs for delays for which the contractual partner is responsible, HWA reserves the right to claim additional damages. The right to demand payment of an agreed contractual penalty shall not be forfeited if the contractual penalty was not expressly reserved upon acceptance of the delayed delivery. However, the reservation must be declared by HWA at the latest with the payment for the delayed performance. A contractual penalty due to delay shall be set off against claims for damages based on the delay.

(4) If the seller is in default, we may - in addition to further statutory claims - demand lump-sum compensation for our damage caused by default in the amount of 1% of the net price per completed calendar week, but not more than a total of 5% of the net price of the goods delivered late. We reserve the right to prove that higher damages have been incurred. The seller reserves the right to prove that no damage at all or only significantly less damage has been incurred

## **8. Force majeure**

Force majeure, lawful labour disputes, unrest, official measures and other unforeseeable, serious external events that cannot reasonably be averted shall release the contracting parties from their performance obligations for the duration of the disruption and to the extent of its effect. The contracting parties are obliged to provide the necessary information without delay within the scope of what is reasonable and to adapt their obligations to the changed circumstances in good faith.

## **9. Acceptance**

(1) If the contractual services are subject to acceptance, the contractual partner shall notify HWA in writing of the completion of its contractual services, hand over the contractual services to HWA or make them available for acceptance. An acceptance date shall then be agreed.

(2) The acceptance of individual, self-contained parts of the contractual services (partial acceptance) within a contract can be agreed in writing. Such acceptance shall then be deemed acceptance in the legal sense with regard to the partial performance. The contracting parties may agree that after completion of all agreed partial acceptances, a determination shall be made that the contractual performance has been accepted as a whole.

(3) If no partial acceptance has been agreed pursuant to Section 9.2, a joint determination of the condition of parts of the contractual performance by HWA and the contractual partner in the course of the progress of the project (determination of performance) does not constitute acceptance in the legal sense. Performance assessments are generally subject to acceptance in the legal sense. The result of the performance assessment shall be recorded in writing in a protocol to be signed by both contracting parties.

(4) Acceptance shall take place within four weeks from receipt of the notification of completion of the partial or complete performance by HWA and handover/provision of the contractual services, unless a different date has been agreed. If the inspection of the contractual services of the contractual partner requires commissioning or putting into operation for test purposes, acceptance shall only take place after successful completion of the tests. The result of an acceptance shall be recorded in writing in a protocol to be signed by both contracting parties.

(5) Payments by HWA do not imply that the contractual services have been accepted by way of partial or final acceptance or that this is waived.

## **10. delivery**

(1) Delivery within Germany shall be "free domicile" to the place specified in the order. If the place of destination is not specified and nothing else has been agreed, delivery shall be made to our registered office in Affalterbach. The respective place of destination is also the place of fulfilment for the delivery and any subsequent fulfilment (obligation to deliver).

(2) The delivery must be accompanied by a delivery note stating the date (issue and dispatch), content of the delivery (article number and quantity) and our order identification (date and number). If the delivery note is missing or incomplete, we shall not be responsible for any resulting delays in processing and payment. A corresponding dispatch note with the same content must be sent to us separately from the delivery note.

(3) The risk of accidental loss and accidental deterioration of the goods shall pass to us upon handover at the place of fulfilment. If acceptance has been agreed, this shall be decisive for the transfer of risk. The statutory provisions of the law on contracts for work and labour shall also apply accordingly in the event of acceptance. If we are in default of acceptance, this shall be deemed equivalent to handover or acceptance.

(4) The statutory provisions shall apply to the occurrence of our default of acceptance. However, the Seller must also expressly offer us its performance if a specific or determinable calendar time has been agreed for an action or co-operation on our part (e.g. provision of material). If we are in default of acceptance, the Seller may demand compensation for its additional expenses in accordance with the statutory provisions (Section 304 BGB). If the contract relates to a non-fungible item to be manufactured by the Seller (customised production), the Seller shall only be entitled to further rights if we have undertaken to cooperate and are responsible for the failure to cooperate.

## **11. Provisions**

(1) HWA retains title to the items provided by HWA. Processing or remodelling by the contractual partner shall be carried out for HWA. If the provided items are processed or mixed with other items not belonging to HWA, HWA shall acquire co-ownership of the new item in proportion of the value of its provided items to the other processed or mixed items at the time of processing. If the mixing takes place in such a way that the object of the contractual partner is to be regarded as the main object, the contractual partner hereby assigns to HWA co-ownership of the main object on a pro rata basis. HWA hereby accepts the transfer. The contractual partner shall keep the sole ownership or co-ownership for HWA free of charge.

## **12. Defective delivery**

(1) The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating or operating instructions) and in the event of other breaches of duty by the seller, unless otherwise specified below.

(2) In accordance with the statutory provisions, the Seller shall be liable in particular for ensuring that the goods have the agreed quality upon transfer of risk to us. In any case, those product descriptions which - in particular by designation or reference in our order - are the subject of the respective contract or have been included in the contract in the same way as these GPC shall be deemed to be an agreement on the quality. It makes no difference whether the product description originates from us, the seller or the manufacturer.

(3) Notwithstanding § 442 para. 1 sentence 2 BGB, we shall also be entitled to claims for defects without restriction if the defect remained unknown to us upon conclusion of the contract due to gross negligence. (4) The statutory provisions (Sections 377, 381 HGB) shall apply to the commercial obligation to inspect and give notice of defects with the following proviso: Our obligation to inspect shall be limited to defects which become apparent during our incoming goods inspection under external examination including the delivery documents (e.g. transport damage, incorrect and short delivery) or which are recognisable during our quality control in the random sampling procedure. If acceptance has been agreed, there is no obligation to inspect. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered later remains unaffected. Notwithstanding our duty to inspect, our complaint (notification of defects) shall in any case be deemed to be immediate and timely if it is sent within ... working days of discovery or, in the case of obvious defects, of delivery. (5) Subsequent fulfilment shall also include the removal of the defective goods and reinstallation, provided that the goods have been installed in another item in accordance with their intended purpose. The costs incurred by the Seller for the purpose of inspection and subsequent fulfilment (including any removal and installation costs) shall be borne by the Seller even if it transpires that there was in fact no defect. Our liability for damages in the event of an unjustified request to remedy defects shall remain unaffected; in this respect, however, we shall only be liable if we recognised or were grossly negligent in not recognising that there was no defect. (6) If the Seller does not fulfil its obligation to provide subsequent performance - at our discretion by remedying the defect (subsequent improvement) or by delivering a defect-free item (replacement delivery) - within a reasonable period of time set by us, we may remedy the defect ourselves and demand compensation from the Seller for the expenses required for this or a corresponding advance payment. If the subsequent fulfilment by the Seller has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline need be set; we shall inform the Seller of such circumstances immediately, if possible in advance.

(7) Otherwise, in the event of a material defect or defect of title, we shall be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to compensation for damages and expenses in accordance with the statutory provisions.

### **13. Property rights**

(1) The Seller shall be liable for claims arising from the infringement of industrial property rights and applications for industrial property rights (industrial property rights), at least one of which from the family of industrial property rights has been published either in the Supplier's home country, by the European Patent Office or in one of the following countries: the Federal Republic of Germany, China, France, Great Britain, Austria or the USA, or if the rights of third parties prevent undisturbed use by the Buyer.

(2) He shall indemnify HWA AG and its customers against all claims arising from the use of such rights, unless he neither knew nor should have known of the conflicting industrial property rights of third parties.

(3) This shall not apply if the seller has manufactured the delivery items according to drawings, models or other equivalent descriptions or information provided by HWA AG and does not know or does not have to know in connection with the products developed by him that industrial property rights are infringed thereby.

(4) The contracting parties undertake to inform each other immediately of any risks of infringement and alleged cases of infringement that become known and to give each other the opportunity to counteract such claims by mutual agreement.

(5) Upon request, the seller shall inform HWA AG of the use of published and unpublished own and licensed industrial property rights and applications for industrial property rights to the delivery item.

### **14. Free and Open Source Software**

(1) The Seller may not use any so-called "Free and Open Source Software", i.e. software that can regularly be obtained free of charge and open source (hereinafter: "FOSS") in the deliveries and services to HWA AG, even if their terms of use expressly permit the use of FOSS.

(2) FOSS, the use of which has been applied for, may only be used after written authorisation has been granted by HWA AG.

(3) In case of doubt, the authorisation shall only be effective for the specific work status of the seller's scope of performance/scope of delivery and must be applied for again before the provision of new work statuses, versions, updates, upgrades or other deliveries and services.

(4) When using FOSS, the Seller shall design its deliveries and services in such a way that the contractual performance to be rendered for HWA AG or software or systems at HWA AG are not impaired, in particular not by the so-called "copyleft effect" or "viral effect". Furthermore, the use may only take place in such a way that there is no conflict with the digital signature or the authenticated vehicle programming procedure of HWA AG and authentication information, cryptographic keys or other information relating to the software used in the vehicle remain unaffected and, in particular, do not have to be disclosed to third parties.

(5) If subcontractors are involved in the fulfilment of the contract, they must be bound in accordance with this § 10.

(6) If the Seller breaches any of the obligations set forth in this § 10 or violates any provisions of the licence or usage terms of the FOSS used, the Seller shall indemnify HWA AG and its affiliates against any claims, damages, losses or costs caused thereby and shall defend HWA AG against any third party claims upon request by HWA AG. A breach of this § 10 constitutes a material breach of contract.

(7) The provisions of this Section 10 apply accordingly to the use of so-called "open content", i.e. content such as databases, fonts, media, photographs, which can regularly be obtained free of charge but subject to compliance with specific licence conditions.

### **15. Compliance and sustainability**

(1) The seller undertakes to take all measures that are necessary and appropriate to combat corruption and avoid other legal violations, in particular violations of antitrust law, competition law, environmental protection, customs and foreign trade law, data protection and employee rights. The contractual partner must also ensure that it complies with the applicable export guidelines within its supply chain and does not violate economic sanctions. The seller shall take all reasonable organisational (including legal or contractual) measures to prevent its legal representatives, employees, subcontractors, consultants or other third parties commissioned by it from committing or failing to commit acts such as bribery, corruptibility, granting of advantages, acceptance of advantages, money laundering, fraud or embezzlement. The contractual partner undertakes to pass on and monitor these requirements to its n-tier suppliers.

(2) For HWA, it is of paramount importance that corporate activities take social responsibility towards its own employees and society as a whole into account. This applies both to the contractual partner itself and to its suppliers. Buyer and seller are committed

to comply with the principles and rights adopted by the International Labour Organization (ILO) in the "Declaration on Fundamental Principles and Rights at Work" (Geneva, 06/98), the guidelines of the UN Global Compact Initiative (Davos, 01/99) and the UN Guiding Principles on Business and Human Rights (2011). The following principles are of particular importance:

- Respect for human rights,
- Ban on child and forced labour
- positive and negative freedom of association,
- no discrimination based on gender, race, ethnic origin, religion or belief, trade union membership or similar, disability, age, sexual identity, nationality, marital status, political affiliation, veteran status, or any other characteristic protected by local law,
- Compliance with occupational health and safety requirements,
- Protection against individual arbitrary personnel measures,
- Ensuring employability through training and further education,
- Compliance with socially acceptable working conditions,
- Creating conditions that allow employees to enjoy a decent standard of living,
- Remuneration that makes it possible to secure a livelihood, including social and cultural participation,
- Realisation of equal opportunities and family-friendly framework conditions,
- Protection of indigenous rights,
- Prohibition of bribery and extortion,
- Respect for animal welfare.

(3) In the event of a breach of these obligations or if there is reasonable suspicion of such a breach in connection with the fulfilment of the obligations under this agreement, the seller shall notify HWA AG immediately and inform HWA AG of the remedial measures it is taking to remedy the breach and prevent future breaches. If the vendor fails to notify HWA AG immediately or to take appropriate remedial action within 60 days of becoming aware of the breach, HWA AG shall be entitled to terminate the affected contract without notice or to terminate the business relationship in its entirety with immediate effect. The supplier shall indemnify HWA AG, its legal representatives, bodies and employees against all claims, damages, costs and expenses, including but not limited to legal fees, resulting from a breach of the obligations under this clause, unless HWA AG or a third party authorised by HWA AG is responsible for such breach.

(3) To the extent that HWA AG or authorities demand to inspect the production process or the provision of services and the documents and processes of the seller relating to the order in order to verify certain requirements, the seller undertakes to allow such verification or audit in its area and to provide all reasonable support.

## **16. Ecological responsibility**

For HWA AG, responsibility for the environment means protecting nature's finite resources. The prudent and efficient use of resources is therefore of central importance to HWA AG. The supplier must comply with all national and international environmental standards and laws applicable to the operating site. HWA AG also expects the supplier to refrain from harmful soil change, water and air pollution, harmful noise emissions or excessive water consumption that significantly impair the natural basis for the preservation and production of food, deny a person access to safe drinking water, make it difficult or impossible for a person to access sanitary facilities, or harm a person's health. HWA AG also requires the supplier to continuously reduce its environmental impact and hazards and to continuously improve environmental protection within its own sphere of influence. It is necessary to constantly minimise the consumption of resources (in particular energy, water, raw materials or (primary) materials) and the environmental impact (in particular emissions, pollutants, waste). Accordingly, at the request of HWA AG, the supplier must introduce and operate an environmental management system in accordance with ISO 14001 or the Eco-Management and Audit Scheme (EMAS) and provide evidence of this by submitting a corresponding certificate. The supplier is obliged to set up a responsible office for ecological sustainability and to draw up an environmental guideline and corresponding training for its employees. HWA AG also expects its suppliers to pass on and monitor this procedure to its own n-tier supply chain.

## **17. Secrecy**

(1) We reserve ownership rights and copyrights to illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents shall be used exclusively for the contractual performance and shall be returned to us after completion of the contract. The documents must be kept secret from third parties, even after termination of the contract. The confidentiality obligation shall only expire if and to the extent that the knowledge contained in the documents provided has become generally known.

(2) The above provision shall apply accordingly to substances and materials (e.g. software, finished and semi-finished products) as well as to tools, templates, samples and other items that we provide to the Seller for production. Such items shall - as long as they are not processed - be stored separately at the Seller's expense and insured to an appropriate extent against destruction and loss.

(3) Any processing, mixing or combination (further processing) of items provided by the seller shall be carried out on our behalf. The same shall apply in the event of further processing of the delivered goods by us, so that we shall be deemed to be the manufacturer and shall acquire ownership of the product at the latest upon further processing in accordance with the statutory provisions.

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Submission approved: Marc  
Schimmelpfennig

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(4) The transfer of ownership of the goods to us must take place unconditionally and without regard to the payment of the price. If, however, in individual cases we accept an offer of the seller for transfer of ownership conditional upon payment of the purchase price, the seller's reservation of title shall expire at the latest upon payment of the purchase price for the delivered goods. We remain authorised to resell the goods in the ordinary course of business even before payment of the purchase price with advance assignment of the resulting claim (alternatively validity of the simple retention of title extended to the resale). This excludes all other forms of retention of title, in particular the extended retention of title, the forwarded retention of title and the retention of title extended to further processing.

## **18. General provisions**

(1) If a contracting party ceases to make payments or if insolvency proceedings are instituted against its assets or out-of-court composition proceedings are applied for, the other contracting party shall be entitled to withdraw from the unfulfilled part of the contract. This shall apply accordingly if the economic situation of a contracting party deteriorates in such a way that the fulfilment of the contract is seriously jeopardised.

(2) The place of fulfilment for the contractual services of the contractual partner is the registered office of HWA. A different agreement can be made for the delivery.

(3) Should any provision of these Terms and Conditions of Purchase and the other agreements made be or become invalid, this shall not affect the validity of the remainder of the contract. The contracting parties are obliged to negotiate in good faith a provision to replace the invalid provision. This shall apply accordingly in the event of a loophole.

## **19. Statute of limitations**

(1) The reciprocal claims of the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise stipulated below.

(2) Notwithstanding § 438 Para. 1 No. 3 BGB, the general limitation period for claims for defects is 3 years from the transfer of risk. If acceptance has been agreed, the limitation period shall commence upon acceptance. The 3-year limitation period shall also apply accordingly to claims arising from defects of title, whereby the statutory limitation period for third-party claims in rem (Section 438 (1) No. 1 BGB) shall remain unaffected; *f u r t h e r m o r e*, claims arising from defects of title shall in no case become time-barred as long as the third party can still assert the right - in particular in the absence of a limitation period - against us.

(3) The limitation periods under sales law, including the above extension, shall apply - to the extent permitted by law - 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 period (§§ 195, 199 BGB) shall apply, unless the application of the limitation period is excluded.

## **20. Choice of law and place of jurisdiction**

(1) These GTCP and the contractual relationship between us and the Seller shall be governed by the law of the Federal Republic of Germany to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

(2) If the Seller is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising from the contractual relationship shall be our registered office in Affalterbach. The same applies if the purchaser is an entrepreneur within the meaning of § 14 BGB. However, in all cases we shall also be entitled to bring an action at the place of fulfilment of the delivery obligation in accordance with these GPC or an overriding individual agreement or at the Seller's general place of jurisdiction. Overriding statutory provisions, in particular regarding exclusive jurisdiction, shall remain unaffected.



**General Terms and Conditions of Purchase of  
HWA AG**



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