

# General Terms and Conditions of Purchase

## 1. Content of the contract, area of application, suppliers code of conduct, offer, order

- 1.1. Pre-worded terms and conditions of contract ("General Terms and Conditions of Business" as defined in article 305 of BGB [*Bürgerliches Gesetzbuch*, German Civil Code]) for a variety of contracts which are used by the Contractor shall not become part of the contract, even if GERNEP GmbH does not expressly object to them. If GERNEP GmbH accepts the supply or service without making express objections, this cannot be interpreted as an acceptance of the Contractor's terms and conditions of contract by GERNEP GmbH. The present General Terms and Conditions of Purchase of GERNEP GmbH shall apply exclusively. The present terms and conditions shall also apply to all future business transactions between GERNEP GmbH and the Contractor.
- 1.2. The present terms and conditions shall apply to all services and/or deliveries rendered to GERNEP GmbH (in the following referred to as "supplied item"), irrespective of the legal nature of the contract agreed on for the rendering of such services and/or deliveries.
- 1.3. All agreements made between GERNEP GmbH and the Contractor regarding the execution of the contract shall be made in writing to be valid. Modifications of and amendments to the present Terms and Conditions are subject to the prior written approval of GERNEP GmbH.
- 1.4. GERNEP GmbH expects that the conduct of their Contractors complies with the ethical corporate principles of GERNEP GmbH. For this reason, the contractor is obliged to comply with the suppliers code of conduct of GERNEP GmbH, which is available online at [https://www.krones.com/media/downloads/krones-supplier-code\\_en.pdf](https://www.krones.com/media/downloads/krones-supplier-code_en.pdf) and which includes, in particular, requirements regarding safety, health, environment, human rights, employee standards, as well as anti-corruption requirements. The compliance with the GERNEP suppliers code of conduct is checked by the quality management of GERNEP GmbH by means of audits at the Contractor's premises.
- 1.5. The Contractor is bound to offers pursuant to article 145 of BGB for three months as of the receipt of the offer. If the Contractor fails to accept an order within two weeks upon receipt, GERNEP GmbH may revoke such order. Call-offs are binding unless the Contractor objects within five days.

## 2. Documentation, documents, modifications, maintenance

- 2.1. With respect to the supplied item, the Contractor shall provide GERNEP GmbH with a separate complete technical documentation free of charge consisting of the documents indicated in annex II 1.A or 1.B of the EC machinery directive (2006/42/EC) as a minimum requirement. The Contractor is obliged to provide GERNEP GmbH free of charge with the instructions and documents required for the use, assembly, cleaning and repair of the supplied item, in particular including spare parts lists and sourcing references. The Contractor shall enclose the original operating instructions and maintenance instructions for specialist staff with the supplied items at their own expense, as well as a user documentation for the application software, a programme documentation for the system software and system-related software and a programme development documentation for software developments subject to the contract, which are to be established in the German and English language and, if requested from the Contractor by GERNEP GmbH, in the respective national language of the country of destination/use. The documentation owed by the Contractor shall be provided to GERNEP GmbH in accordance with the currently applicable standards, as hardcopy and in the usual electronic format.
- 2.2. The order and part numbers of GERNEP GmbH shall be indicated on all notices, bills of lading, invoices, etc. relating to the order. Both the notification of dispatch and the invoice must not be enclosed to the shipment.
- 2.3. The Contractor is not entitled to any remuneration from GERNEP GmbH for offers, acquisition planning, development work and other preparatory works. GERNEP GmbH shall be entitled to the unrestricted use of business documents and information (including data sheets) provided by the Contractor unless Contractor has expressly marked such information as confidential.
- 2.4. The Contractor shall provide GERNEP GmbH with a separate declaration according to the EC machinery directive 2006/42/EC, annex II 1.A or 1.B (in the respective valid version). The CE mark is to be attached to every product ready for use. The Contractor guarantees GERNEP GmbH that the supplied items correspond to the relevant accident prevention/work safety regulations, as well as to the acknowledged occupational health and safety-technical regulations of the Federal Republic of Germany. If the country of destination/use of the supplied items is known to Contractor upon conclusion of this Contract, the supplied items shall also comply with the rules and regulations of the place of destination/use, and the delivery to such country must be admissible. In particular, the Contractor guarantees that the supplied items correspond to the respective valid version of the relevant EU directives, the EC machinery directive, the German laws regarding the provision of products on the market (*Produktsicherheitsgesetz*, *ProdSG* [German product safety law]) and the *Neunten Verordnung zum Produktsicherheitsgesetz* [ninth ordinance to the German product safety law] (*Maschinenverordnung* [machinery ordinance], 9. *ProdSV*) and that the respective conformity assessment processes specified in the respective regulations have been applied.
- 2.5. If GERNEP GmbH is held liable by third parties due to the Contractor's non-observance of the stipulations indicated in paragraph 2.4, the Contractor shall indemnify GERNEP GmbH regarding such claims upon the first written notification. GERNEP GmbH shall be entitled to such indemnification regardless of whether the Contractor is at fault or not. The aforementioned indemnification claim of GERNEP GmbH towards the Contractor shall also relate to all expenses incurred by GERNEP GmbH in connection with legal proceedings or the pursuit of claims. It also includes any other costs reasonably incurred by GERNEP GmbH as a result of or in connection with claims made by a third party.
- 2.6. GERNEP GmbH shall permit the Contractor the use of calculations, illustrations, plans, tender documents, specifications of requirements, performance speci-

fications, drawings, other documents and other data carriers including models and any other resources on a temporary basis only and these shall be returned to GERNEP GmbH after the fulfilment or termination of the contract without making copies of any kind whatsoever, without delay, or shall be destroyed by the Contractor upon request by GERNEP GmbH, whereby such destruction is to be verified to GERNEP GmbH in a suitable manner.

- 2.7. All models, devices and other aids created by the Contractor for the purpose of the fulfilment of the contract are the property of GERNEP GmbH. GERNEP GmbH shall remain the sole owner and have sole rights of disposal to all the intellectual property rights associated with the aforementioned items. These items are to be returned to GERNEP GmbH upon the completion and/or termination of the contract without making copies of any kind whatsoever.
- 2.8. The items and rights which are the property of GERNEP GmbH shall not be used or otherwise exploited by the Contractor or third parties and may not be disclosed to third parties. They must not be reproduced in total nor in part by way of copying, microfilming, electronic storage or any other process.
- 2.9. Insofar as this is reasonable for the Contractor, GERNEP GmbH may subsequently demand modifications (expansions/reductions) to the creation and implementation of the supplied items. If this affects major contract agreements (prices and deadlines), the Contractor shall notify GERNEP GmbH of this – unless otherwise agreed – within eight working days in the form of a supplementary quotation (costs) or by notes in reports, including a new schedule in the event of a postponement of dates. Otherwise it shall be assumed that the changes desired by GERNEP GmbH lie within the framework of the existing agreements. If fixed prices are exceeded due to modifications, the Contractor shall notify GERNEP GmbH immediately of the expected or anticipated amount of additional expenses in written form. Subsequently, GERNEP GmbH shall decide on the implementation of these modifications. In the event of an implementation, an amendment to the contract is made.
- 2.10. If requested by GERNEP GmbH, the contractor assumes the care for the supplied items based on a respective service and maintenance contract.

## 3. Period of delivery and services

- 3.1. The Contractor is obliged to meet the agreed delivery or service period. Any specified delivery or service dates/periods relate to the time of delivery of the supply at the place of destination indicated by GERNEP GmbH. For the timeliness of services, as well as of deliveries including erection and/or assembly, their acceptance is decisive.
- 3.2. In the event of any delay in delivery or service, GERNEP GmbH shall be entitled to charge a lump-sum penalty of 0.5% of the agreed remuneration for each started week of delay, however no more than 5% of the agreed remuneration. The right to assert further statutory claims (rescission and damages) is reserved. The Contractor is entitled to verify towards GERNEP GmbH that no or a significantly lower damage has incurred due to the delay. GERNEP GmbH is entitled to prove that they have incurred a higher damage.
- 3.3. The regulations under paragraph 3.2. also apply if the Contractor completes some or all of the work on schedule but fails to complete this work in a form that is suitable for the acceptance procedure.
- 3.4. Furthermore, GERNEP GmbH may request the Contractor to indemnify them from any and all damage and/or penalty and/or other claims that are raised towards them by their customer in relation to a delay in delivery or service provided that the Contractor is responsible for such delay in delivery or service.
- 3.5. The Contractor must notify GERNEP GmbH of any anticipated delays in delivery or service immediately, at the latest when the agreed delivery or service period is exceeded.

## 4. Packaging, transportation and disposal

- 4.1. The Contractor is obliged to package and load the supplied items in such a way as to ensure that the supplied items do not suffer any damage during loading, transportation and unloading. The Contractor is liable for any damage on the supplied items resulting from inadequate packaging.
- 4.2. The Contractor bears the packaging and shipping costs. If GERNEP GmbH is obliged bear the transport and/or packaging costs, the Contractor is obliged to choose the most cost-efficient type of transportation and/or packaging which simultaneously guarantees the integrity of the delivery in each case.
- 4.3. The Contractor shall comply with the rules of the Regulation of Wood Packaging Material in International Trade – Revision of ISPM No. 15 (INTERNATIONAL STANDARDS FOR PHYTOSANITARY MEASURES) and use only accordingly treated packaging wood for national and international deliveries to GERNEP GmbH. The Contractor shall be liable for all damage and costs incurred by GERNEP GmbH due to use of wood which does not conform to mentioned regulations.
- 4.4. The Contractor shall take back any kind of transportation containers, tools, aids, as well as all types of packaging, in particular transport packaging. The Contractor shall bear any related costs for packaging, loading, transportation to their domicile and unloading. GERNEP GmbH shall enter into an according contract for carriage on their own behalf and at the expense of the Contractor. Unless the Contractor reuses the (transport) packaging taken back, they shall bear the costs of its disposal incurred by GERNEP GmbH. Foreign Contractors shall bear any additionally incurred customs duties, tariffs, taxes and charges due to the return of the transportation containers, tools, welding gas cylinders and other aids, as well as transport packaging.
- 4.5. The Contractor shall at their own expense obtain the delivery order and/or the customary transport document (e.g. a negotiable bill of lading, a non-negotiable ocean bill of lading, a document of inland water transport, an airbill, a rail waybill, a road waybill or a multi-modal transport document) for GERNEP GmbH which GERNEP GmbH requires in order to take over the supplied items in accordance with paragraph 7.3. If the Contractor and GERNEP GmbH have agreed on electronic data communication, the document mentioned in the paragraph above may be replaced with a respective notice in electronic data transmission.

# General Terms and Conditions of Purchase

## 5. Supply chain security, foreign trade, country of origin, preferential right

5.1. In order to ensure security in the supply chain in accordance with the requirements of the international security initiatives based on the WCO SAFE Framework of Standards, such as the AEO, C-TPAT and the aviation security initiatives of the BMVI [Bundesministerium für Verkehr und digitale Infrastruktur, German federal ministry for traffic and digital infrastructure], BMI [Bundesministerium des Innern, German Federal Ministry of the Interior], LBA [Luftfahrt-Bundesamt, German aviation agency], EU and ICAO, as well as compliance with national and international Aviation Security Acts, the Contractor shall issue the necessary organisational instructions and take the necessary measures for deliveries and services to GERNEP GmbH or to third parties specified by GERNEP GmbH, in particular in the area of building protection, business partner, personnel and information security, packing and transportation. The contractor shall protect the deliveries and services against unauthorised access and tampering. The contractor shall only use reliable personnel and shall also obligate its subcontractors to comply with the specified security standards in the supply chain.

If the Contractor is to be held liable for a culpable breach of these obligations, GERNEP GmbH reserves the right to either give notice of termination of the contract or to withdraw from this contract.

5.2. If the Contractor participates in the export themselves, they shall provide GERNEP GmbH with the commodity code in accordance with the current version of the standardised international trade code in written form. In any case, the technical information regarding form, function and quality of the supplied items shall be notified in writing in order to determine the commodity code.

If the supplied items are subject to the EU dual use list (annex I to EU regulation 428/2009) or the German export list (annex AL to *Außenwirtschaftsverordnung – AWV* [German foreign trade ordinance]) in its respective valid version and the Contractor is aware of this fact, they shall notify GERNEP GmbH about the item of the respective list applicable in this regard in written form.

GERNEP GmbH shall use this data for the legally correct handling of their own exports. If the Contractor is unable to deliver the above-mentioned data despite their own export activities or if they are unwilling to provide such data, they are obliged to immediately inform GERNEP GmbH in writing in this respect.

5.3. The Contractor is obliged to provide a supplier's declaration on the preferred origin of all supplied items upon request of GERNEP GmbH. For supplied items without preferred origin, the country of origin – and, in the case of Germany, the Federal State – are to be notified. These declarations shall be made available to GERNEP GmbH within ten days upon such request, at the latest at the point of delivery however. The supplier's declaration on the preferred origin of the supplied items shall comply with the stipulations of Commission Implementing Regulation (EU) no. 2015/2447 including amendments and in its respective valid version.

## 6. Price and payment

6.1. The agreed prices are binding unless expressly agreed upon otherwise by the parties, for which proof is to be provided by the Contractor.

6.2. The agreed payment term starts with the receipt of all contractually owed supplied items at the place of destination indicated by GERNEP GmbH or with their acceptance if this has been contractually agreed upon or is a legal requirement. However, if the invoice of the Contractor is delivered to the place of destination indicated by GERNEP GmbH after all contractually owed supplied items have been received and/or after their acceptance at GERNEP GmbH (purchasing department), the agreed payment term does not start before the day on which the invoice is received.

6.3. GERNEP GmbH shall effect payment within the agreed payment term. Payment as defined above is made by sending or electronically entering a bank transfer order or sending a crossed cheque.

6.4. If GERNEP GmbH pays an invoice of the Contractor without raising any objections, this shall not be interpreted as a confirming debt acknowledgement regarding the settled claim and/or as acceptance of the delivery or services in accordance with the contract.

## 7. Place of fulfilment, handover, transfer of risks, force majeure

7.1. The place of fulfilment shall be the place of destination indicated by GERNEP GmbH.

7.2. Insofar as the services of the Contractor refer to the creation or adaptation of software, the handover shall be effected on a suitable data carrier in machine-readable form together with the source code.

7.3. If the law does not prescribe an acceptance, and if no acceptance is prescribed by the contract, the risks of accidental loss and accidental deterioration shall be transferred from the Contractor to GERNEP GmbH with the handover of the supplied goods at the place of destination, otherwise the legally stipulated or contractually agreed acceptance in accordance with paragraph 9 applies.

7.4. Strikes as well as cases of force majeure shall entitle GERNEP GmbH to demand a reasonable adaptation of the contract or an exemption from the acceptance obligation from the Contractor.

## 8. Duty to inspect and notify defects

8.1. If the supplied items have defects and no acceptance is made, GERNEP GmbH may, within the area of application of article 377 of HGB [*Handelsgesetzbuch*, German Commercial Code], notify of obvious defects within a period of 14 days after the supplied items have been unpacked completely at the place of intended use of the supplied items and hidden defects within a period of 14 days from their detection. For the compliance with the stipulated periods, the date of despatch of the notification of defects is decisive.

8.2. With bulk deliveries, GERNEP GmbH is only obliged to make sample tests. If these indicated that more than 10% of the samples fail to comply with the agreed or statutory requirements, GERNEP GmbH shall be exempted from making any further inspections and may refuse acceptance as a whole due to the result of the sample tests and provide the entire Supply to the Contractor for collection.

8.3. If GERNEP GmbH are obliged by a contract to successively call off deliveries and a partial delivery has defects of quality and/or title that render its intended use impossible, GERNEP GmbH shall be entitled, without prejudice to any additional rights, to refrain from making any further call-offs of deliveries and payments.

8.4. If the Contractor is certified according to DIN EN ISO 9001, Rev. 2000, GERNEP GmbH shall be exempted from their duty to inspect and notify defects in accordance with § 377 HGB.

8.5. If the Contractor and GERNEP GmbH have entered into a quality assurance agreement with respect to GERNEP GmbH's duty to inspect and notify defects, the provisions of such agreement shall prevail over the provisions specified in paragraph 8 of this contract.

## 9. Acceptance

9.1. If the acceptance of the supplied items is contractually agreed and/or provided for by law, GERNEP GmbH shall perform the acceptance inspection within fifteen days of receiving both Contractor's declaration of readiness for the acceptance and all documents belonging to the object of the delivery.

9.2. If the Contractor's supplied items consist of creating or adapting software, the created and adapted programmes shall be handed over in testable form. After the programme testing together with GERNEP GmbH, initially, a preliminary confirmation of the operational readiness is issued. Here, it is only stipulated that the trial operation under conditions, which are similar to the production conditions may begin for the purpose of the final acceptance. The duration of the functional test and the trial operation depends on the contractual agreements. If major defects arise during the trial operation, the trial operation shall be restarted after the defects have been rectified.

9.3. The acceptance procedure shall be carried out when all performances and criteria set out in the work description have been fulfilled and when the supplied items are free from defects.

9.4. A written acceptance protocol of the acceptance shall be created. The formal acceptance shall not be effected, however, until the Contractor has eliminated all the defects which have been discovered. Defects must be eliminated immediately, no later than within the period of time set by GERNEP GmbH.

## 10. Warranty claims, liability of the Contractor

10.1. The Contractor shall assure GERNEP GmbH that the supplied items are free of defects in quality, as well as of defects in title from the point of time of the passage of risk until the time when warranty claims become statute-barred.

10.2. If the supplied items exhibit defects despite the above commitment, the rights of GERNEP GmbH shall be governed by these Terms and Conditions and, additionally, by the statutory warranty claims.

10.3. GERNEP GmbH may initiate measures for rectifying the defect at the Contractor's expense by third parties or procure supplemental items themselves provided that the Contractor fails to act upon the written demand to rectify the defect within a reasonable period to be stipulated by GERNEP GmbH or if insolvency proceedings have been initiated regarding the assets of the Contractor. In urgent cases, the same shall apply even without such prior demand if the operational safety is at risk or in order to prevent disproportionate damages if it is impossible to inform the Contractor about the defect and the anticipated damage and to stipulate a period for rectification.

10.4. GERNEP GmbH shall be entitled to have minor defects rectified or eliminated at the Contractor's expense. Measures for rectifying defects may be implemented or initiated without stipulating a period and at the Contractor's expense if the delivery is effected with delay and GERNEP GmbH has an interest in the immediate rectification of the defect in order to avoid getting into delay themselves.

10.5. In the cases indicated in paragraph 10.3 and 10.4, the Contractor shall be notified immediately. GERNEP GmbH shall forward to the Contractor a report concerning the type and the scope of the defects and the work carried out.

10.6. The entire costs of supplementary performance, in particular costs of trouble-shooting, retrofitting, assembly and disassembly, transport, travelling, work and material and customs duties, are borne by the Contractor. This also includes expenses incurred by the subsequent delivery of the supplied items to a place other than the designated place of delivery.

10.7. The Contractor warrants that the Supply is free from third-party rights, in particular third-party property rights, that prevent or impede its use by GERNEP GmbH, that the Contractor is authorised to grant such rights of use and that no filed property rights that are published in the European Economic Area, the US and Japan are infringed. If claims are raised towards GERNEP GmbH by a third party on such grounds, the Contractor shall be obliged to indemnify GERNEP GmbH from such claims at first written request. The exemption obligation of the Contractor relates to all expenses incurred by GERNEP GmbH as a result of or in connection with claims made by a third party. This does not apply if the infringement(s) of (property) rights is/are based on plans, drawings, models or equivalent other descriptions provided by GERNEP GmbH.

10.8. If the Contractor fails to ensure the contractual use of the supplied items in a suitable manner, GERNEP GmbH may demand compensation and withdraw from the contract.

10.9. GERNEP GmbH can demand from the Contractor indemnification from all claims of their customer, if and insofar as the Contractor has by his delivery laid the grounds justifying a claim for liability. For the indemnification from claims for damages directed at GERNEP GmbH outside of the scope of liability of product liability laws, this shall apply only if and insofar as the Contractor has been responsible for the grounds.

10.10. The Contractor is obliged to fulfil any control and supervision duties carefully, in particular to ensure compliance with the technical quality standards and the contractually agreed properties by way of thorough quality controls and according documentation. The Contractor is obliged to organise their area of control and

# General Terms and Conditions of Purchase

- organisation in terms of contents and staff in a way that any risks in relation to the Contractor's services/supplied items and their utilization by GERNEP GmbH and their customers are eliminated.
- 10.11. If preconditions for claims of GERNEP GmbH against the Contractor are the sole risk and responsibility of the Contractor, the Contractor shall be obliged to provide evidence for the non-existence of such preconditions for claims.
- 10.12. Public exclamations of the Contractor, i.e. in printed media or on the internet, expand the target quality of the suitability for ordinary use by such characteristics which do not usually belong to this type of quality, provided that the public exclamation is designed in a way that it has the potential to create a respective expectation of GERNEP GmbH.
- 11. Liability of the manufacturer and compulsory insurance of the Contractor**
- 11.1. The Contractor indemnifies GERNEP GmbH from their manufacturer's liability, if and to the extent the grounds for the liability of GERNEP GmbH can be attributed to the risks and responsibilities of the Contractor and the Contractor is responsible for the cause of the grounds for liability. This also applies to claims asserted against GERNEP GmbH in respect to their manufacturer's liability under the legislation of another country.
- 11.2. In this framework, the Contractor is also obliged to repay any expenses in accordance with §§ 683, 670 BGB [*Bürgerliches Gesetzbuch*, German Civil Code] resulting from or in connection with a recall action conducted by GERNEP GmbH. GERNEP GmbH shall inform the Contractor of the subject and scope of the recall campaign to be implemented, insofar as possible and reasonable, and give the Contractor the opportunity to take position in a statement.
- 11.3. The Contractor declares that they shall be independently responsible for claims for damages of third parties based on material defects within the legal framework, provided that the material defects are already present in their supplied items, work or services at the point of the transfer of risks.
- 11.4. The contractor is obliged to maintain a business and product liability insurance with a coverage amount of a minimum of 2 million Euro as lump sum per occurrence of personal injury and material damage. The coverage shall also include damages incurred abroad, deviating from § 4, section 1, paragraph 3, AHB [*Allgemeine Versicherungsbedingungen für die Haftpflichtversicherung*, General insurance conditions for liability insurance]. The Contractor shall inform GERNEP GmbH about any exclusion of the US/Canada from the coverage.  
The scope of this insurance shall include the forms of coverage of the expanded product liability insurance (ProdLI) in accordance with the respective applicable model stipulated by the GDV [*Gesamtverband der Deutschen Versicherungswirtschaft e.V.*, German insurance association], including the insurance of personal injury and material damage due to missing agreed characteristics of the supplied items in accordance with paragraph 4.1 ProdLI; connection, mixing and processing of the supplied items according to paragraph 4.2 ProdLI; further processing according to paragraph 4.3 ProdLI; mounting and dismounting costs according to paragraph 4.4 ProdLI; production of reject parts by machines according to paragraph 4.5 ProdLI, as well as a testing and sorting clause according to paragraph 4.6 ProdLI. The coverage sum for damages in accordance with paragraph 4.1 to 4.6 ProdLI shall also amount to a minimum of € 2 million. Insofar as the Contractor mounts and/or installs the supplied item, as well, they shall be obliged to maintain a co-insurance of activity damages with a coverage sum of a minimum of € 1 million.
- 11.5. The Contractor shall provide GERNEP GmbH with evidence for the conclusion of a liability insurance according to paragraph 11.4. as stipulated above, and shall provide GERNEP GmbH with a respective certificate of insurance upon request. In particular, this certificate shall provide information on the following points: (a) indication of the insured party including complete address; (b) name of the liability insurance indicating the complete paragraph of the insurance policy; (c) name and complete address of the insuring party; (d) information on the type of the insured damages and costs (personal injury and material damages, as well as co-insured property losses), in particular in the area of the manufacturer's and environmental liability, as well as for the coverage of activity damages. The scope of the product liability insurance shall include the forms of coverage of the expanded product liability insurance model (ProdLI model) including the insurance of personal injury and material damages due to missing agreed characteristics of the supplied items according to paragraph 4.1 of the ProdLI model; connection, mixing and processing of the supplied products according to paragraph 4.2 ProdLI model; further processing according paragraph 4.3 ProdLI model; dismounting and mounting costs according to paragraph 4.4 of the ProdLI model; production of reject parts by machines according to paragraph 4.5 ProdLI model as well as a testing and sorting costs clause according to paragraph 4.6 ProdLI model; (e) indication of the coverage sums; (f) indication of existing sublimits; (g) information on existing excesses; (h) indication of exceptions; (i) start and end date of the policy and whether or not it is expanded automatically; (j) geographic area of coverage; (k) conclusion of a general product recall insurance which includes coverage of a recall by third parties, as well as (l) confirmation of the insuring party regarding premium payments effected.
- 12. Usage rights**
- 12.1. All copyrights, industrial property rights and similar rights in law regarding the agreed Supply and all other written, machine-readable and otherwise created work results obtained in connection with the contract shall become the property of GERNEP GmbH upon their creation without any further conditions and without any additional remuneration.
- 12.2. These rights shall be the exclusive property of GERNEP GmbH without restriction of space, time and content, and may be extended, transferred, revised, adapted, amended, duplicated or published by GERNEP GmbH without the Contractor's consent.
- 12.3. GERNEP GmbH may use the supplied items free of charge. GERNEP GmbH is entitled to apply for patent protection for patentable results of development.
- 12.4. The Contractor is not prevented from using the know-how obtained in the course of performance of the contract for own purposes unless this constitutes an infringement of the property rights in accordance with paragraph 12.1. However, when providing services for third parties, the Contractor may not use the work results exclusively obtained for GERNEP GmbH in relation with the performance of the contract.
- 13. Limitation periods**
- 13.1. The statutory limitation periods apply subject to the exceptions below.
- 13.2. Where the statutory limitation period for defects of quality would be two years, it is extended to 36 months as of the transfer of risks.
- 13.3. The limitation period for defects of title (paragraph 10.7) is 48 months as of the transfer of risks unless a longer statutory period applies.
- 13.4. For supplied items and parts of the supplied items replaced in the course of supplementary performance, as well as for supplied items and parts of supplied items on which defects have been rectified, the limitation periods starts again upon the completion of the supplementary performance.
- 13.5. For supplied items the operation of which cannot be maintained during the inspection of defects and supplementary performance, the limitation period shall be extended by the period of the interruption of operation due to defects.
- 14. Assignment, set-off, retention**
- 14.1. The Contractor is not entitled to assign any claims against GERNEP GmbH.
- 14.2. The Contractor shall not be entitled to refuse any defect rectification measure owed by them until the purchasing price/remuneration has been paid in full.
- 14.3. GERNEP GmbH shall be entitled to the statutory rights of set-off and retention. GERNEP GmbH shall be also entitled to set off its debts with claims accrued by a company in which GERNEP GmbH owns a minimum 50% holding.
- 15. Duty to inform, confidentiality and protection of data privacy**
- 15.1. In case of a long-term supplier relationship, the Contractor has a duty to inform with regard to all circumstances that might be relevant for GERNEP GmbH; these particularly include information about quality issues that could not be remedied, foreseeable supply difficulties and all changes in product properties that might affect the use by GERNEP GmbH, even if they do not cause the supplied items to be rendered defective.
- 15.2. If the Contractor of spare part orders aims at wholly or partially abolishing their production ("discontinuation"), they shall be obliged to inform GERNEP GmbH respectively at least six months in advance, indicating the material paragraph of GERNEP GmbH, as well as possible alternatives (incl. the respective data sheets). With a period of notice of eight weeks upon the written notification of discontinuation, the Contractor shall grant GERNEP GmbH the possibility of a "Last Order", which offers GERNEP GmbH the option to order a minimum quantity of 25% of the complete quantity of the past ten years at their own discretion, at the average delivery time valid at the discontinuation and in accordance with the previously agreed commercial conditions.
- 15.3. The Contractor is obliged to treat all non-obvious commercial and technical details that become known to him in relation to the business relationship as trade secrets. The Contractor is in particular obliged to keep any calculations, illustrations, plans, contract specifications, requirement profiles, functional specifications, drawings, and other documents, as well as any data media, models and other aids, strictly confidential. These data may be disclosed to third parties and/or used for the Contractor's own purposes beyond the subject of this contract only if GERNEP GmbH have granted their express permission. This confidentiality obligation also applies after the contract has been processed; it ceases to apply once the knowledge, experiences and information contained in the afore-mentioned calculations, illustrations, plans, and documents, etc. have become common knowledge. GERNEP GmbH shall remain the sole owner and have sole rights of disposal to all the intellectual property rights associated with the aforementioned items. The Contractor may only disclose the contractual relationship with GERNEP GmbH to third parties upon the written consent of GERNEP GmbH.
- 15.4. The Contractor is responsible for ensuring that all persons entrusted by the Contractor with the performance or processing of the contract comply with the statutory provisions on the protection of data privacy. The commitment to observe data secrecy as required under data privacy law must be declared prior to the initial start of the activities at the latest, and evidence of such commitment must be provided to GERNEP GmbH upon request. The Contractor agrees to the personal data disclosed to GERNEP GmbH in the framework of the business relationship being stored and automatically processed in the EDP systems of GERNEP GmbH.

## General Terms and Conditions of Purchase

### 16. Specific stipulations for dealers

If the Contractor is a dealer, the following applies additionally:

- 16.1. The Contractor is obliged to indicate the manufacturer and their address when concluding the contract with GERNEP GmbH AG.
- 16.2. By means of the conclusion of the contract between the Contractor and GERNEP GmbH, the Contractor transfers their defect compensation claims (e.g. for a reduction of the purchasing price as well as claims for damages, for instance due to a necessary replacement or recall activity) to GERNEP GmbH, which accepts such transfer in advance.

### 17. Place of jurisdiction, governing law

- 17.1. The exclusive place of jurisdiction for all disputes arising from and in relation with the contract is Regensburg, Federal Republic of Germany, if the Contractor is a German entrepreneur, a German legal entity under public law or a German special fund under public law. The exclusive place of jurisdiction for actions against GERNEP GmbH filed by contractors that have no general place of jurisdiction in the Federal Republic of Germany also is Regensburg, Federal Republic of Germany. Regensburg, Federal Republic of Germany, is furthermore an additional place of jurisdiction for actions filed by GERNEP GmbH against contractors that have no general place of jurisdiction in the Federal Republic of Germany apart from the statutory places of jurisdiction. Any arbitration agreements made between the parties take precedence.
- 17.2. Only the laws of the Federal Republic of Germany apply with respect to the inclusion of these Terms and Conditions of GERNEP GmbH and all legal relationships arising from the contract and any possible secondary and/or consequential business involving the parties to the contract and their legal successors. Also this choice of law and the foregoing provisions on the place of jurisdiction are subject to the law of the Federal Republic of Germany.