General Purchase Terms and Conditions (PTCs)
of KLEIN Anlagenbau AG and KLEIN Stoßwellentechnik GmbH
Obere Hommeswiese 53–57, 57258 Freudenberg, Germany

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§ 1 Scope of PTCs, hierarchy, code of conduct

1. The following General Purchase Terms and Conditions ('**PTCs**') of KLEIN Anlagenbau AG and KLEIN Stoßwellentechnik GmbH, Obere Hommeswiese 53–57, 57258 Freudenberg, Germany ('KLEIN') apply exclusively to all current and future purchase orders for goods deliveries and other services (hereinafter also '**services**'). KLEIN does not recognise terms and conditions of business of the supplier that deviate from or supplement these PTCs, unless KLEIN has confirmed these in writing. KLEIN's acceptance of goods or payments without reservations does not constitute the recognition of deviating or supplementary conditions of business of the supplier, even if no explicit objection is raised.
2. If contractual provisions, especially those in individual contracts (such as the quotation or purchase order, or in delivery contracts or quality assurance agreements), deviate from these PTCs, these other contractual provisions supersede those from the PTCs. In other cases, the various provisions apply collectively.
3. In addition, the Code of Conduct (which can be provided by KLEIN if required) also applies to all current and future purchase orders of **services**.

§ 2 Purchase order, sub-suppliers

1. Purchase orders and call-offs must always be made in writing (e.g. fax, email), as must any changes and amendments to the same. Oral purchase orders and agreements are binding on KLEIN solely and as subject to the provision in no. 2 below when confirmed in writing. Employees of KLEIN are not authorised to make oral side agreements or commitments that go beyond the contents of the purchase order, the delivery contract or quality assurance agreements, or modify these PTCs to the disadvantage of KLEIN.
2. If the supplier does not accept the purchase order within 12 working days from the purchase order date by a written order confirmation with a binding delivery date, then the purchase order is no longer binding on KLEIN. Individual call-offs become binding if the supplier does not object to these within 5 working days from receipt.
3. The supplier is entitled to engage the services of sub-suppliers or sub-contractors only with the express prior consent of KLEIN.

§ 3 Prices, terms of payment, offsetting, assignment

1. The prices agreed are maximum prices and quoted 'free domicile' or 'free to the place of use', i.e. including all rates and service charges, especially packing and freight, and including VAT applicable at the point in time of the purchase order.
2. Payment is conditional on invoices including the purchase order numbers given by KLEIN. Unless otherwise agreed, KLEIN will make payment following the complete performance of the contractually agreed services as follows: with a 3% discount within 14 days after invoice receipt or net within 30 days of invoice receipt.
3. KLEIN is entitled to its offsetting and retention of title rights in accordance with the law.
4. The supplier may assign claims against KLEIN to third parties only with the express written consent of KLEIN, which may not be refused unjustifiably, however. This does not affect the provisions of section 354a of the German Commercial Code (HGB). However, KLEIN may, at its discretion, satisfy the claim either with the supplier or the third party. The supplier shall notify the third party in the event of such an assignment.

§ 4 Shipping, packaging

1. The supplier shall ensure proper and correct delivery where such a delivery is to be made and shall take out a goods-in-transit insurance policy as appropriate for the respective order.
2. Each shipment is to be accompanied by a delivery note stating the material designation, the quantity and the purchase order data from KLEIN, and, where relevant and present, particulars of the assembly, drawing number, part number and job number.
3. The supplier shall mark the individual materials with the purchase order number, part number, drawing number and, where available, the job number from KLEIN. Loose items of material supplied with the order must be stated separately on the delivery note. If the supplied materials are not marked or are marked inadequately, KLEIN is entitled to return the materials to the supplier at the latter's expense.
4. Insofar as services consist of the delivery of items, the supplier must comply with the shipping instructions from KLEIN, which the supplier shall duly request from the former before shipment. The items are to be packed as agreed, and at least as typical for such items, or are to be provided with a special type of packaging at KLEIN's request and at KLEIN's expense. If packaging is inadequate, the supplier shall bear the costs of any ensuing damage except in cases where the supplier is not responsible for this breach of duty.
5. The supplier shall in all cases take back the packaging from the point of delivery and dispose of the same at the supplier's own expense. KLEIN is entitled to dispose of the packaging itself at the supplier's expense.

§ 5 Time of performance, delay, vis major, retention of title, transfer of risk

1. The time of performance specified in the purchase order is binding. Compliance with an agreed date or delivery time is based on the receipt of goods at KLEIN or the transfer of the goods as contractually agreed. If a pickup from a specified location has been agreed, the supplier must provide the goods in good time and as agreed, while taking into account the time usually required for loading and shipping.

2. If it becomes clear that an agreed delivery date cannot be met, the supplier must notify KLEIN without delay in writing.

3. The contractually agreed performance is rendered only if the supplier has included all of the requested and/or necessary documents, certificates and descriptions with the delivery, including all assembly, operating and maintenance instructions.

   Insofar as services are not listed in the purchase order but are nonetheless necessary – so as to achieve full functional capability, for example – the supplier shall supply these by the due date and free of charge.

4. If due dates are not met as agreed, KLEIN – without prejudice to any further claims – is entitled to rescind the contract after the expiry of an appropriate grace period as granted to the supplier. In such a case, KLEIN may claim additional compensation unless and insofar as the supplier is not responsible for the failure to comply with the agreed due date.

5. KLEIN may also claim a contractual penalty amounting to 1% of the net total order value per full/partial week of delay, to a maximum of 5% of the net total order value, unless and insofar as the supplier is not answerable for the failure to comply with the agreed due dates.

   Section 341(3) of the German Civil Code (BGB) applies, with the proviso that KLEIN may reserve its right to assert a contractual penalty claim for up to three months after receipt of the last partial performance and corresponding final invoice.

   This provision does not preclude the right to assert further claims for compensation. In such a case, proof of a loss on KLEIN's part may be fulfilled by the latter submitting a detailed list of losses suffered. The contractual penalty is offset against compensation (to be) paid.

6. Vis major in relation to the supplier's obligations, including the outbreak of a pandemic or war, applies insofar as the supplier de facto bears no culpability for being unable to render the service, whether temporarily or permanently. The supplier bears no culpability for being unable to render the service only if the supplier has, whether simultaneously or previously, undertaken all reasonable and appropriate measures to safeguard its capability to perform.

7. Unless expressly regulated otherwise by a different agreement, KLEIN at no time recognises a retention of title on the part of the supplier, of whatsoever kind and, in particular, whether relating to goods, accounts paid, or new items or proceeds of sale.

8. Risk is transferred to KLEIN once the contractually agreed performance has been correctly rendered or delivered as agreed.

§ 6 Quality assurance measures

1. The supplier shall continuously monitor the quality of its services within its own operation and, in particular, during production.

2. KLEIN has the right to monitor this quality by means of audits – to be announced in good time beforehand – during the supplier's normal business hours and in the supplier's presence.

3. The supplier shall perform inspections of the goods it supplies at the factory, which are to include an outgoing goods inspection in particular. In so doing, the supplier guarantees that its delivery corresponds to the quality as agreed. The supplier shall keep records of the inspections made, and shall archive all test, measurement and inspection results for a period of 10 years. The supplier shall also keep retention samples of goods relating to the purchase orders placed by KLEIN. KLEIN is entitled to peruse the abovementioned records and documents, and to make copies of the same, and to demand the surrender of goods retention samples for the purpose of inspection. KLEIN will bear the costs of any shipments made.

§ 7 Warranty

1. KLEIN may assert claims for defects to the fullest extent of the law. KLEIN is entitled to rectify defects itself at the supplier's expense in the case of imminent danger or if there is a need for particular urgency, and the supplier is incapable of rectifying the defect itself in a suitable manner and within a suitable period of time.

2. The supplier guarantees that its services are free of defects and correspond to the recognised state of the art, applicable laws, safety and accident prevention regulations, and the customary technical standards (e.g. DIN, VDE, VDI and ATEX guidelines).

3. Any change made to the services rendered, especially in terms of materials or the manufacturing method, requires prior written consent on the part of KLEIN.

4. The supplier shall notify KLEIN concerning obvious inaccuracies contained within documents or samples supplied by KLEIN, or make suggestions for improvement regarding services.

5. Delivery for production cannot commence until KLEIN has approved and released the samples on which production will be based.

6. Goods receipts will be inspected by KLEIN only regarding externally visible deviations in terms of identity and quantity as well as externally visible damage, and damage in transit in particular ('**obvious defects**'), and notified to the supplier without delay, as required. Defects other than obvious defects will be notified by KLEIN to the supplier without delay, as soon as these are determined in accordance with the proper and correct course of business. In the case of obvious defects, KLEIN's duty to inspect for/notify defects is satisfied if KLEIN submits such a notification within a period of two

weeks after goods handover. In terms of KLEIN's duty to inspect for/notify non-obvious defects, the same period applies, from the discovery of such a defect.

7. In the context of supplying a cure for a defect, the supplier shall bear the expenses incurred by the removal of the defective item and the installation or fitting of the reworked or newly delivered non-defective item.

8. The warranty period is 36 months from the transfer of risk or – where required by law or contract – from acceptance. In cases subject to BGB sections 438(1) no. 1 and 2, 438(3), 634a(1) no. 2 and 3, and 634a(3), the period of limitation envisaged therein applies. A longer period of limitation may also be offered by special guarantees. The warranty period restarts in the case of replaced parts.

§ 8 Product liability

1. In the event of a claim being asserted against KLEIN by a customer or other third party on product liability grounds, the supplier shall indemnify KLEIN against such claims on first demand, insofar as the cause of the customer or third-party loss arose from within the supplier's sphere of control and organisation. In the case of strict liability, this duty of indemnification does not apply if the supplier is not answerable for this breach of duty.

2. The Supplier shall bear the costs and expenses corresponding to its share of causation/indebtedness, including the costs of any legal action or recall as well as the costs of any other expenses necessarily incurred by KLEIN from or in connection with the claim by a third party; this also applies to recognisable or imminent serial errors. Otherwise, the statutory provisions apply.

3. The supplier shall take out and maintain product liability insurance providing coverage of EUR 10 million per case of personal injury, financial loss or property damage, and shall provide proof of such coverage as and when requested by KLEIN.

§ 9 Supply of materials, confidentiality, advertising

1. All samples, models, tools, materials, drawings and other documentation or data ('materials') as provided by KLEIN to the supplier, or that the supplier manufactures to KLEIN's specifications and which KLEIN pays for, remain the property of KLEIN and must be used only according to the latter's instructions. The supplier shall store the abovementioned items at no charge while ensuring these are marked as the property of KLEIN. The supplier shall not use these items for its own or other purposes and shall return these items at no charge to KLEIN after completion of the order.

2. The supplier shall not use the abovementioned materials, even after the end of the business relationship, for its own purposes nor make these accessible to third parties, unless this is required to fulfil the contract. The supplier shall ensure that its proxies – employees, sub-suppliers, etc. – comply with this requirement. These materials must be returned unbidden to KLEIN after use.

3. The supplier shall not use its business relationship with KLEIN for advertising purposes without written consent from the latter.

§ 10 Infringement of third-party rights

The supplier indemnifies KLEIN against third-party claims in the event of third parties asserting claims against KLEIN as a result of the infringement of property rights as well as business or trade secrets as a result of using the supplier's services.

§ 11 Place of performance, place of jurisdiction, applicable law

1. The place of performance is the place at/to which the services/goods is/are to be supplied/rendered according to the order.

2. The Federal Republic of Germany is the sole international place of jurisdiction for all disputes arising from the business relationship. The sole local place of jurisdiction is KLEIN's registered place of business, insofar as the supplier is a merchant, a legal entity under public law or a special fund under public law. KLEIN may also sue the supplier before another court of jurisdiction that is locally competent according to the law.

3. The business relationship between KLEIN and the supplier is subject solely to the law of the Federal Republic of Germany with the exclusion of the UN CISG.