

# General Conditions of Purchase

## of the Siegfried Hofmann GmbH for Transactions within Germany

Status as per 04/2021

### § 1 General Provisions, Scope of Application

- (1) These conditions of purchase of the Siegfried Hofmann GmbH shall exclusively apply. The Siegfried Hofmann GmbH does not recognise any of the supplier's terms which are inconsistent with these conditions of purchase or differ from the latter unless it has explicitly agreed to the validity of such terms in writing. These General Conditions of Purchase shall also apply in the event that the Siegfried Hofmann GmbH accepts the supplier's delivery unreservedly, even though it is aware of the fact that the supplier's terms are inconsistent with or differ from the former.
- (2) Any agreements which are made between the Siegfried Hofmann GmbH and the supplier for the purpose of performance of this contract must be set down in this contract which requires written form.
- (3) These conditions of purchase shall only apply to entrepreneurs within the meaning of § 14 BGB (Federal German Civil Code).
- (4) These conditions of purchase shall also apply to any future business with the supplier.

### § 2 Offers, Documents relating to Offers, Ownership Interests and Proprietary Rights

- (1) Any enquiries directed to the supplier are effected without obligation and do not constitute a binding offer to buy. No remuneration shall be granted for any visits, preparation of offers and plans or for any offers submitted or advice given.
- (2) Orders shall only be valid if they have been placed by the Siegfried Hofmann GmbH in writing or by electronic means or if they have been acknowledged in written form.
- (3) The supplier shall be obliged to acknowledge any orders placed by the Siegfried Hofmann GmbH by means of a written confirmation within a time limit of 5 working days. After expiry of this period the Siegfried Hofmann GmbH shall be entitled to cancel or change the order free of charge.
- (4) The supplier must verify the order without delay. Any documents which may possibly be provided by the Siegfried Hofmann GmbH shall be checked by the supplier for their factual and technical correctness immediately. The supplier shall inform the Siegfried Hofmann GmbH of any possible complaints or misgivings about the execution desired promptly and in written form.
- (5) If the supplier deviates in its acknowledgement of the order from the latter, this must be indicated clearly. In such a case the contract shall only be deemed to have been concluded if the Siegfried Hofmann GmbH explicitly gives its consent to the relevant modification.
- (6) The Siegfried Hofmann GmbH reserves ownership interests in and proprietary rights on any illustrations, drawings, calculations and any other documents. Such documents may not be made available to any third parties without explicit consent given in writing. They shall be used exclusively for production purposes as a result of the order in question. After the order has been processed, the supplier shall return such documents to the Siegfried Hofmann GmbH without having been requested to do so. They must be kept secret from any third parties.

### § 3 Prices, Terms of Payment

- (1) Any prices indicated in the order or any prices which have been agreed constitute net prices. The value added tax applicable at the time in question must be stated separately.
- (2) Any prices agreed are fixed prices and are to be understood including the transport costs to the delivery address indicated by the Siegfried Hofmann GmbH.
- (3) The Siegfried Hofmann GmbH must be notified of any price increases or changes with respect to the packaging at least three months before such increases or changes are planned to come into effect and must be provided with the original price lists simultaneously. The relevant date on which the Siegfried Hofmann GmbH receives a notification of change shall always constitute the time at which the notification becomes effective.
- (4) As stipulated in any order placed by the Siegfried Hofmann GmbH, invoices can only be processed if they include an indication of the order number stated in the relevant order. The supplier shall be responsible for any consequences arising from non-compliance with this obligation.
- (5) Unless otherwise agreed in writing, the Siegfried Hofmann GmbH shall pay the purchase price either within 30 days after the delivery and receipt of the invoice subject to a 3 % cash discount or net within 60 days of delivery and receipt of the invoice.
- (6) The supplier shall be obliged to advise the Siegfried Hofmann GmbH of any changes regarding its banking connection without delay. Up until the Siegfried Hofmann GmbH has received such a notification of change, it shall be entitled to continue paying into the bank account last indicated to the Siegfried Hofmann GmbH, discharging the latter of its relevant financial commitment.
- (7) If the Siegfried Hofmann GmbH discovers that any of its invoices have not been paid in full by the supplier, it will charge the latter for the outstanding amount by means of a debit note.
- (8) The Siegfried Hofmann GmbH shall be entitled to effect payments via third parties. Any such payment made by a third party shall have a discharging effect for the Siegfried Hofmann GmbH concerning its relevant obligation to pay. Apart from effecting the payment in question, the third party shall not assume any additional contractual duties.

### § 4 Delivery Time, Premature Delivery, Failure to Meet the Delivery Deadline, Delay in Delivery

- (1) The delivery times and deadlines indicated in the order are binding. Delivery periods commence as from the day on which the consignment is despatched. If a delivery period is agreed, the supplier shall undertake to announce the exact date and time at least 48 hours before delivery.
- (2) The business hours of the Siegfried Hofmann GmbH for the receipt of goods constitute the arrival times.
- (3) In the event that a delivery is effected earlier than agreed, the Siegfried Hofmann GmbH reserves the right to return the goods at the supplier's expense. If no return is carried out after a premature delivery, the goods shall be stored on the premises of the Siegfried Hofmann GmbH at the supplier's expense and risk. In the event of a premature delivery the payment period only commences on the delivery date previously agreed.

- (4) The supplier shall be obliged to notify the Siegfried Hofmann GmbH immediately in writing if any circumstances arise or become discernible to the former from which it ensues that the delivery date agreed cannot be met.
- (5) The supplier shall only be entitled to effect partial deliveries or partial services if the Siegfried Hofmann GmbH expressly grants this procedure to the supplier in written form before any delivery is made.
- (6) If the goods ordered are not delivered or not delivered in the quantity agreed or / and at the time agreed, the Siegfried Hofmann GmbH shall have the right to demand an appropriate amount of damages - as a rule, 10 % of the order value - by estimating such damages at a flat rate insofar as the supplier is at fault. The supplier shall be entitled to prove to the Siegfried Hofmann GmbH that no loss has been incurred or that the extent of the loss incurred is far more negligible. The Siegfried Hofmann GmbH reserves the right to assert a claim for damages instead of performance and withdraw from the contract after a period of grace has fruitlessly expired.

#### **§ 5 Passing of Risk, Documents**

- (1) The risk of accidental loss shall pass to the Siegfried Hofmann GmbH as soon as the goods have been duly delivered to the place of delivery and, insofar as an installation / assembly has been agreed, as soon as such goods have been duly installed / assembled.
- (2) The supplier shall be obliged to indicate the correct order number of the Siegfried Hofmann GmbH on any shipping documents and delivery notes; if the former fails to do so, delays in the handling process will be inevitable for which the Siegfried Hofmann GmbH cannot be held responsible.
- (3) Any justified return of goods of any sort shall be effected at the supplier's expense and risk.

#### **§ 6 Examination for Defects, Warranty, Limitation of Actions**

- (1) The supplier shall guarantee that the goods delivered are in compliance with the legal provisions and ordinances as well as with the pertinent industry standards and that they are up-to-date regarding the levels of development, production, material and technology prevailing at the relevant time unless a different quality standard has been agreed. Furthermore, the supplier shall undertake that the goods supplied by the former do not infringe the rights of any third parties and that the latter do not have any legal rights to such goods. The supplier shall be obliged to both mark the goods in accordance with the pertinent regulations and provide them with the extensive product information required, especially with instructions for use, safety instructions and warning labels.
- (2) Any incoming goods received by the Siegfried Hofmann GmbH shall be examined by the latter for possible variations in quality or quantity as well as cases of damage in transit within a reasonable period of time and insofar as this is feasible in the ordinary course of business; if necessary, the Siegfried Hofmann GmbH must complain about such defects within a time limit of 10 working days after delivery. With respect to hidden defects the running period for complaints will commence as soon as the relevant defect has been discovered.
- (3) The Siegfried Hofmann GmbH shall have the unrestricted right to assert any warranty claims established in law. Regardless of this right, the Siegfried Hofmann GmbH shall always be entitled to demand a removal of defects or a substitute delivery from the supplier. In this case the supplier shall be obliged to bear the overall expenditure required for the purpose of removing the defects or making a substitute delivery. The Siegfried Hofmann GmbH explicitly reserves the right to claim damages and particularly emphasises its entitlement to exercise this right instead of accepting a substitute delivery.
- (4) If any goods are supplied which have not been ordered, the Siegfried Hofmann GmbH shall be entitled to return such goods to the supplier at the latter's expense and risk.
- (5) The limitation of actions for warranty claims is governed by the legal provisions (§ 438 BGB / Federal German Civil Code).

#### **§ 7 Product Liability, Indemnity against Liability, Liability Insurance**

- (1) If the supplier is responsible for a product defect, the former shall be obliged to indemnify the Siegfried Hofmann GmbH against any third-party claims for damages including any costs which may be inevitably incurred by taking legal action upon having been requested once to do so insofar as the cause has its roots in the supplier's sphere of control and organisation and insofar as the supplier is liable for itself with respect to external legal relations.
- (2) Within these bounds the supplier shall also be obliged to reimburse any possible expenditure within the meaning of §§ 683, 670 BGB (Federal German Civil Code) which may result from or in connection with a call-back campaign implemented by the Siegfried Hofmann GmbH unless the claim ensues from §§ 830, 840 BGB in conjunction with §§ 426, 254 BGB. The Siegfried Hofmann GmbH shall - insofar as this is possible and reasonable - inform the supplier about the content and scope of the call-back measures to be implemented and give the supplier the opportunity to comment on such measures.
- (3) The supplier shall undertake to maintain a product liability insurance with an amount of € 5 million per physical injury / property damage insured at a flat rate. If the Siegfried Hofmann GmbH should be entitled to damages for a more extensive loss, such claims for damages shall remain unaffected.

#### **§ 8 Rights of Retention, Set-Off**

- (1) With respect to any claims which may possibly be asserted by the Siegfried Hofmann GmbH it shall only be admissible for the supplier to enforce rights of set-off or rights of retention if they incontestably exist or have been officially found to be valid.
- (2) The Siegfried Hofmann GmbH shall be entitled to any rights of set-off or retention within the scope provided by law.

#### **§ 9 Transfer of Contractual Obligations, Assignment**

- (1) Any transfer of contractual obligations to another person or subcontracting of orders to any third parties by the supplier shall be inadmissible without written consent having been given and shall entitle the Siegfried Hofmann GmbH to cancel the relevant order in full or in part and claim damages.
- (2) The supplier shall undertake to document details on any items received from its own suppliers, i.e. including the individual suppliers and individual periods of supply. The Siegfried Hofmann GmbH must be provided with such information in writing at any time at the former's request.
- (3) The supplier shall not have the right to assign any claims on the Siegfried Hofmann GmbH to a third party or have such claims collected by a third party without prior consent having been given in writing.

(4) If the supplier assigns a claim on the Siegfried Hofmann GmbH without relevant consent having been given, the claim shall be valid nevertheless. In this case the Siegfried Hofmann GmbH shall, however, have the freedom to decide whether to effect its payments in settlement of the claim either to the supplier or to the third party, with such payments having a discharging effect regarding the financial commitment.

#### **§ 10 Property Rights, Indemnity**

(1) The supplier shall guarantee that there is, to the best of the former's knowledge and belief, no infringement of any rights held by third parties within the Federal Republic of Germany or the country for which the goods are destined in connection with the supplier's delivery unless the supplier proves that the latter is not responsible for the breach of duty in question.

(2) If a third party enters any claims towards the Siegfried Hofmann GmbH relating to such an infringement, the supplier shall be obliged to indemnify the Siegfried Hofmann GmbH against such claims upon having been requested once to do so. The Siegfried Hofmann GmbH shall not be entitled to reach any agreements and, in particular, any settlements with the third party without the supplier's consent.

(3) The supplier's indemnity obligation shall refer to any expenditure which is inevitably incurred by the Siegfried Hofmann GmbH as a result of or in connection with claims being entered by a third party.

#### **§ 11 Reservation of Ownership, Provision of Objects, Paid Labour, Tools**

(1) The supplier shall not have the right to an extended reservation of ownership going beyond a simple reservation of ownership.

(2) Insofar as the Siegfried Hofmann GmbH provides the supplier with components on the latter's premises, it reserves ownership thereof. Any processing or reconstruction of such components shall be done for the Siegfried Hofmann GmbH. If the reserved property is processed with other objects which are not owned by the Siegfried Hofmann GmbH, the latter shall acquire co-ownership of the newly created object in proportion of the value of this object to the other objects processed at the time of processing. Should the mixture be effected in such a manner that the supplier's object must be regarded as the main constituent, it shall be deemed to have been agreed that the supplier shall transfer to the Siegfried Hofmann GmbH co-ownership proportionally; the supplier shall keep the object whose sole owner or co-owner the Siegfried Hofmann GmbH constitutes for the latter in a safe place.

(3) The workpieces delivered for working or processing must be treated with care and protected against any possible risks. The supplier shall be liable for loss of or damage to any objects made available to the former and must notify the Siegfried Hofmann GmbH of any adverse impact on such objects in fact or in law without delay. An ordinary reject rate shall be tolerated by the Siegfried Hofmann GmbH. Should the supplier itself be responsible for any further defective goods in excess of such a rate, the former shall have to compensate the Siegfried Hofmann GmbH for the loss incurred by the latter; moreover, the Siegfried Hofmann GmbH never effects any reimbursement or remuneration for the handling of rejects as a matter of principle.

(4) The Siegfried Hofmann GmbH reserves ownership of tools; the supplier shall be obliged to use the tools exclusively for the production of goods ordered by the Siegfried Hofmann GmbH and mark them as property of the Siegfried Hofmann GmbH. The marking must be so accurate that the goods can be clearly discerned as property of the Siegfried Hofmann GmbH without any closer inspection. The supplier shall be obliged to insure the tools owned by the Siegfried Hofmann GmbH against any damage caused by fire, water, burglary or theft by taking out a replacement value insurance at the supplier's own expense. Furthermore, the supplier shall be obliged to carry out any maintenance and inspection work which may possibly be required at the former's own expense. The Siegfried Hofmann GmbH must be advised of any abnormal occurrences by the supplier immediately. Should the latter culpably fail to do so, any claims for damages shall remain unaffected.

#### **§ 12 Handling of Information, Secrecy, Advertising**

(1) The supplier shall be obliged to observe strict secrecy about any information, drawings, calculations, quantities, models, tools, standard sheets, printing templates, technical documentation and other data (hereinafter referred to as "information") received by the former within the framework of or at some time during the performance of this contract and, with this aim in view, the former shall be obliged to keep such information in an inaccessible place.

(2) Such information may only be made available to any third parties if the Siegfried Hofmann GmbH gives its explicit consent. The supplier must protect such information adequately from being accessed by any persons who are uninvolved in the performance of the contract. Upon termination of the supply relationship the supplier shall return any documents which contain information of the aforementioned sort to the Siegfried Hofmann GmbH at the latter's request.

(3) This obligation shall not apply if such information is publicly known or accessible or if it became publicly known or accessible during the contract period. The obligation to maintain secrecy shall continue to exist even after the relevant supply relationship has terminated.

(4) The Siegfried Hofmann GmbH reserves all intellectual property rights on any information of the sort described in the foregoing. If such information should acquire the attributes of intellectual property worthy of protection only as a result of any action done by the supplier, the relevant action or actions shall be deemed to have been done for the Siegfried Hofmann GmbH.

(5) The supplier may only refer to the former's business connection with the Siegfried Hofmann GmbH within the framework of promotional measures if the Siegfried Hofmann GmbH has given a written declaration of consent to that effect.

#### **§ 13 Discontinuation of Delivery, Insolvency**

(1) If the supplier ceases to effect deliveries or if a provisional receiver is appointed or if insolvency proceedings are instituted against the supplier's assets, the Siegfried Hofmann GmbH shall be entitled to rescind the contract in full or in part without notice, but any derivation of claims from such a rescission on the Siegfried Hofmann GmbH shall be excluded.

(2) If the contract is rescinded by the Siegfried Hofmann GmbH, the latter shall only be charged with any services rendered or work performed up until that point in time at contractual prices insofar as such services or work can be used by the Siegfried Hofmann GmbH in accordance with the purposes intended by the contract. The loss incurred by the Siegfried Hofmann GmbH shall be taken into consideration as far as the calculation of the invoice is concerned.

#### **§ 14 Compliance with Legal Regulations**

(1) The supplier shall undertake the following with an effect towards the Siegfried Hofmann GmbH and also with the effect of a possible constitution of claims in favour of the supplier's own employees being used at the Siegfried Hofmann GmbH within the framework of the services agreed:

a) The supplier shall pay its employees a minimum remuneration in accordance with § 1 II Mindestlohngesetz (Minimum Wage Law) for their use at the Siegfried Hofmann GmbH as from 01/01/2015.

b) Should any statutory remuneration or remuneration under the collective wage agreement be or become higher or lower, the relevant rate shall constitute the minimum remuneration which must be paid.

(2) The supplier shall be obliged to furnish the Siegfried Hofmann GmbH with information on the due remuneration of the former's employees in accordance with the Mindestlohngesetz (Minimum Wage Law) as well as the due payment of national insurance contributions and income tax on wages and salaries by presenting an attestation thereof drawn up by the former's tax consultant or accountant at the request of the Siegfried Hofmann GmbH. The costs incurred in relation to this shall be borne by the supplier.

(3) If any of the supplier's employees enters a claim on the Siegfried Hofmann GmbH for non-payment of the minimum remuneration or non-payment of national insurance contributions or income tax on wages and salaries pursuant to § 13 Mindestlohngesetz in conjunction with § 14 Arbeitnehmerentendegesetz (Employee Assignment Law), the Siegfried Hofmann GmbH shall be entitled to retain the remuneration owed to the supplier in the amount of the claim asserted by the relevant employee until the supplier proves that the latter has duly paid the minimum remuneration.

(4) The supplier shall undertake to

a) indemnify the Siegfried Hofmann GmbH against any possible claims of any of the supplier's employees for the supplier's non-compliance with statutory provisions;

b) indemnify the Siegfried Hofmann GmbH in the event that a fine is imposed on the latter owing to the supplier's non-compliance with statutory provisions (e.g. with respect to § 21 Mindestlohngesetz);

(5) The contracting parties agree that even one single violation of the supplier's obligations arising from clause (1) or (2) shall constitute a right for the Siegfried Hofmann GmbH to terminate the contract extraordinarily and without notice.

#### **§ 15 Gifts from Suppliers**

(1) On the basis of its corporate philosophy the Siegfried Hofmann GmbH has committed itself to collaborate with suppliers and business partners fair and reliably. Therefore, the Siegfried Hofmann GmbH will not accept that members of the staff receive gifts to their personal advantage from companies with which the former cooperates. Such gifts bestowed on employees – regardless of the latter's position or rank – shall include, inter alia, presents, supplementary benefits, trips or jour-neys, cash, samples, tickets for entertainment events, remuneration in the form of money or goods, courtesy discounts or Christmas presents.

(2) In the event that this provision is not observed, the Siegfried Hofmann GmbH reserves the right to break off the business relations.

#### **§ 16 Written Form, Language of the Contract, Data Protection, Saving Clause**

(1) Verbal agreements outside this contract have not been made. Any collateral agreements require written form in order to be legally effective. This shall also apply to the renunciation of the written form stipulated herein.

(2) Any legal inoperativeness of a part of the agreements made between the parties shall not affect the operativeness of the General Conditions of Purchase or of the other agreements made between the parties. Any inoperative provisions shall be replaced by such provisions which come closest to the originally intended purpose in a legally admissible fashion.

(3) Our contractual partners are hereby advised that we store data from the contractual relationship in accordance with § 28 Bundesdatenschutzgesetz (BDSG / Federal Data Protection Act) for the purpose of data processing and that we reserve the right to convey such data to third parties (e.g. insurance companies) insofar as this is necessary for the fulfilment of the contract.

(4) The language of this contract is German. Should any written versions of this contract also exist in any other language, the German version of the contract shall be exclusively authoritative.

#### **§ 17 Legal Venue, Place of Performance, Applicable Law**

(1) Insofar as the supplier is a businessperson, the head office of the Siegfried Hofmann GmbH shall constitute the legal venue; the Siegfried Hofmann GmbH shall, however, also be entitled to sue the supplier before the court of the latter's place of residence.

(2) Unless any other provisions ensue from the order, the head office of the Siegfried Hofmann GmbH shall constitute the place of performance.

(3) The law of the Federal Republic of Germany shall apply. Any application of the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Law) shall be excluded.

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(Lichtenfels, Date)

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(Place, Date)

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(Siegfried Hofmann GmbH)

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(Supplier)