

# General Purchase Conditions

## 1. Scope of application and conclusion of contracts

1.1 These General Purchase Conditions (hereinafter referred to as "Conditions") shall apply to goods and services provided to Voith (hereinafter referred to as the Customer") by the Supplier, unless otherwise agreed in writing. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 The conclusion of a contract on the basis of the acceptance of an offer or another proposal for the conclusion of a contract with a deviation shall be ruled out, even if the deviation does not substantially alter the original terms and conditions. The same shall apply to the arrangement of any changes to this contract and the conclusion of sub-contracts related to this contract.

1.3 Purchase orders and their acceptance ("order confirmation") and all agreements between the Customer and the Supplier for the purpose of performing the contract shall only be valid if made in writing. Transmission by fax, remote transmission or email meets the requirements for the written form.

1.4 The Supplier undertakes to accept the purchase order by returning the order confirmation within a period of two weeks, failing of which the Customer shall be entitled to cancel the purchase order.

## 2. Delivery, place of performance and the consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified immediately of any circumstances which may prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Part deliveries shall require the consent of the Customer.

2.3 In the case of a delay in delivery or performance the Customer shall be entitled to demand flat-rate default damages of 1% of the value of the goods or services for each full week by which delivery is delayed but up to a maximum of 10% of the value of the goods or services in the contract. Other rights (termination, cancellation and claims for damages instead of performance) remain unaffected. The Customer shall retain the right to assert proven higher losses and the Supplier shall retain the right to prove that the losses are significantly lower or no losses at all have been incurred.

2.4 The unconditional acceptance of the delayed delivery of goods or services does not imply that the Customer is waiving any rights that the Customer may have to compensation on account of the delayed delivery of goods or services.

## 3. Supply of spare parts

The Supplier shall ensure that spare parts for the goods will be available for a minimum of ten years after manufacture of the product series has ceased. The resources and drawings required to produce the spare parts shall also be kept for this period. This retention obligation shall lapse after the end of this period and written agreement by the Customer. It is only permitted to refuse this if there is a good reason to do so.

## 4. Prices, transfer of risk and terms of payment

4.1 The price specified in the order shall be binding. Unless otherwise agreed, the prices are "Delivered at Place", according to the actual Incoterms, including packaging. The specified price does not include statutory value-added tax. Transfer of risk shall take place with delivery as mentioned herein.

4.2 Invoices are to be sent to the address specified in the purchase order, stating the purchase order number. If the purchase

order is missing, invoices cannot be paid and will be returned to the Supplier; the Customer shall not be responsible for delays resulting from this. A separate invoice shall be issued for each purchase order. The invoice is to be structured in accordance with the purchase order. Any invoices for down payments and part payments as well as final invoices shall be identified as such. If work has been supplied, worksheets (reports) signed by the Customer and the Supplier must be attached to invoices.

4.3 The invoice will be settled in line with Section 1963 (1) of Act No. 89/2014 Coll., the Civil Code (hereinafter referred to as "CC") net within 30 days after the delivery or provision of the service and the receipt of the invoice by the Customer.

## 5. Acceptance testing

If the Supplier has to perform work, a formal acceptance of it by the Customer is required. The Customer may choose whether to make the acceptance at the Supplier's plant or at the place of performance. Unconditional payments shall not constitute acceptance, approval of the items supplied or the waiving of claims for defects.

## 6. Shipping

6.1 Notification of shipment of the goods shall be given at the latest when the deliveries leave the Suppliers' works.

6.2 The Supplier agrees to specify the purchase order number and the Customer's exact delivery address on all shipping documents and delivery notes. Should the Supplier fail to do this, the Supplier shall be responsible for all the resulting delays and any damage that may arise as a consequence.

6.3 Shipments for which the Customer is paying all or part of the freight costs shall be transported using the most cost-effective freight rates and in accordance with the Customer's shipping specifications.

6.4 The applicable shipping instructions are specified in the purchase order.

## 7. Packaging

7.1 The Supplier undertakes to pack the goods that need to be transported in accordance with the purchase order and the applicable specifications so the goods will not be damaged if they are handled in the normal way.

7.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it.

## 8. Notice of defects

The Customer shall check incoming deliveries for correct quantities, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. Defects will be reported to the Supplier within a period of five working days of discovery. In this regard, the Supplier waives the argument of receiving delayed notice of defects. The Customer reserves the right to carry out more detailed checks on incoming goods.

## 9. Liability for defects

9.1 The Supplier warrants to the Customer that the ordered goods or services are free of defects and legal imperfections in title at the time of the passage of risk.

9.2 If the Customer informs the Supplier of the intended use and place of use of the goods and/or services to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

9.3 If a defect or imperfection in title exists, the Customer shall be entitled to statutory warranty claims in its entirety.

9.4 In principle, the Customer shall have the right to select the

manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as the Supplier has been requested to do so by the Customer, the Customer shall have the right in these cases and also to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects and/or delivery of a substitute fails or is refused.

9.5 Should removal and installation costs be incurred during rectification work following a defect, the Supplier shall cover these costs together with the transport costs of the replacement item to and from the site in cases where the Supplier had an obligation to install the delivered item as part of the delivery or if the Supplier was responsible for the defect.

9.6 If claims are asserted against the Customer by a third party due to the infringement of third-party rights in connection with the Supplier's goods/services, the Supplier shall be obligated to indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

9.7 Claims for defects – except in cases of intentional actions – shall become time-barred, pursuant to the provisions of Section 629 (1) CC, upon the expiration of 3 years, starting from the time the Customer points them out to the Supplier, and until such time as the goods are received at the place of performance and/or the time work is accepted. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

## 10. Software

The Customer shall receive the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law (Section 66 and following of Act No. 121/2000 Coll., the Copyright Act). Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programs and shall eliminate such malware (if any).

## 11. Quality assurance

11.1 The Supplier undertakes to continuously monitor the quality of its goods by using a suitable quality assurance system, e.g. DIN EN ISO 9001 ff. or a comparable system, and to conduct the quality checks and inspections specified by the Customer or which are otherwise appropriate during and after the manufacture of its goods. The Supplier shall document these inspections and retain this documentation for a period of ten years.

11.2 The Customer or a person engaged by the Customer has the right to demand proof that the delivery items and the quality assurance system of the Supplier are of the quality specified in the contract and also to satisfy themselves at all times that the quality and/or the way in which the checks and inspections are carried out at the plant of the Supplier or the sub-suppliers are adequate and also to undertake acceptances or an audit in the plant of the Supplier or its sub-supplier at the Supplier's expense.

11.3 Without being requested to do so, the Supplier shall immediately in the form set out in Section 1.3 inform the Customer of changes in the composition of the processed material or design of its goods or services. The changes shall require the written consent of the Customer.

11.4 Where the Supplier intends to arrange for goods or services to be provided wholly or mainly by a sub-supplier, the Supplier shall inform the Customer of this beforehand. In this case, the subcontracting requires the written approval of the Customer.

11.5 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## 12. Marketing products and product liability

12.1 The Supplier undertakes to comply with the legal requirements that apply at its registered office and the place of performance.

12.2 If it supplies goods which fall under the scope of application of a European Directive for first-time marketing, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., the Supplier undertakes to comply with the relevant health and safety requirements and processes specified in them and issue the documents provided for in these. In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide the Customer with a declaration of incorporation according to Annex II B of the EC Machinery Directive in the form requested by the Customer (extended declaration of incorporation) as well as in addition provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. The Supplier shall at the request of the Customer and as chosen by the Customer hand over to the Customer the risk assessment that the Supplier has produced or allow the Customer to inspect this.

12.3 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against the Customer pursuant to product liability law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at the first time of request, if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties. As part of its liability, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer. Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

12.4 The Supplier undertakes to take out product liability insurance with minimum cover of 1,000,000.00 euros per claim. The said insurance shall not prejudice the Customer's right to make more extensive claims for damages.

## 13. Safety at work, environmental protection and conflict minerals

13.1 The Supplier shall ensure that its goods and services satisfy environmental protection, accident prevention and occupational safety regulations that apply at the Customer's site or the other place of performance with which it is familiar as well as with other safety-related rules so that negative effects on people and the environment are avoided or reduced. The Supplier will set up a management system for this purpose, e.g. in accordance with DIN EN ISO 14001 or a comparable system. The Customer has the right, if required, to demand evidence of the management system operated by the Supplier and to carry out an audit in the Supplier's company.

13.2 The Supplier undertakes to comply with the requirements of the EU regulation on chemicals REACH (EU Regulation No. 1907/2006), in particular registration of the substances. The Customer is not obligated to obtain approval for a good provided by the Supplier within the framework of the REACH regulation. Furthermore the Supplier undertakes not to supply any goods that contain substances specified in Annexes 1 to 9 of the REACH regulation, the Council Decision 2006/507/EC (Stockholm Convention on persistent organic pollutants, EC Regulation 1005/2009 on substances that deplete the ozone layer, the Global Automotive Declarable Substance List (GADSL) and the RoHS Directive (2002/95/EC)) for products in accordance with the Supplier's field of application. The current version of all the named directives shall apply. Should the goods contain substances that are on the Candidate List of Substances of Very High Concern (SVHC list) as specified in REACH, the Supplier undertakes to notify this without delay. This shall also apply if substances that have previously not been listed are added to this list while deliveries are being made. Furthermore, the goods shall not contain asbestos, biocides or radioactive material. Should the goods contain substances, the Customer shall be notified of this in writing before the delivery, stating the

substance, the identification number (e.g. CAS No.) and a current safety data sheet. The supply of these goods requires separate approval by the Customer.

13.3 The Supplier undertakes through appropriate measures in its organization and with reference to its own delivery chain to work towards ensuring that the goods to be delivered to the Customer do not contain conflict minerals as defined by Sections 1502 and 1504 of the Dodd- Frank Act of the United States of America (including but not limited to columbite-tantalite (coltan), tin, wolframite, gold and their derivatives originating from the Democratic Republic of Congo and its neighboring states).

13.4 The Supplier has an obligation to indemnify the Customer from all liability in relation to the Supplier's non-compliance with the above regulations and/or to compensate the Customer for losses incurred as a result of the Supplier's non-compliance with the regulations or in relation to this.

13.5 Furthermore the Supplier shall observe the relevant rules for the disposal of waste and residual materials e.g., Act No. 185/2001 Coll., on Waste and make the Customer aware of any product treatment, storage and disposal requirements.

#### **14. Reservation of ownership, models, tools and confidentiality**

14.1 The Supplier's rights to reserve ownership are not recognized.

14.2 Where the Customer provides the Supplier with substances, parts, containers, etc., the Customer shall retain ownership of these. The processing or transformation of these parts shall be on behalf of the Customer. If the reserved goods are processed with other items that do not belong to the Customer, the Customer shall acquire joint ownership of the new object in proportion to the value of the Customer's property in relation to the other processed items at the time of processing.

14.3 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, used exclusively for manufacturing the ordered goods, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. The Supplier undertakes to carry out in a timely manner any maintenance and servicing work that may be required on the tools and to perform maintenance and repair work at the Supplier's own cost. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

14.4 Documents, drawings, plans and sketches and other know-how of the Customer, which the Customer entrusts to the Supplier for producing the ordered delivery and/or service in whatever form, shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer upon completion of the goods/services or, if requested by the Customer, to destroy them.

#### **15. Data protection**

The Customer is entitled to collect, store, use and transfer the Supplier's personal data in line with the provisions of the GDPR, provided this is required for performing the legal transaction or consent has been obtained from the persons concerned. Persons concerned have the right to obtain information on the personal data stored about them and the purpose for which it is being processed and used. Any requests for information or the enforcement of further rights on the part of those concerned must always be submitted to the Customer and are provided within the framework of national legislation.

#### **16. Origin of goods and export controls**

16.1 If requested to do so by the Customer, the Supplier undertakes to provide proof of origin that complies with the valid legal requirements on the date on which it is issued. The Supplier

shall provide this for the Customer free of charge. If long-term supplier declarations are used, the Supplier shall, when the purchase order is accepted, without being prompted to do so inform the Customer of changes in the originating status. The actual country of origin shall in every case be stated in the documentation for the transaction, even if there is no eligibility for preferential customs treatment.

16.2 The Supplier has an obligation to instruct the Customer about any authorization obligations that may exist if the Supplier's goods are (re-) exported, as required by German, European and US American legislation as well as other applicable export and customs requirements. For this purpose, unless this information is provided in the Supplier's quotation the Supplier shall provide this information in the order confirmation and in every invoice at the relevant items for the goods: the commodity code, the AL No. (export list number) of the current version of the EC Dual Use Regulation or Part I of the export list (Annex "AL" of the German Foreign Trade and Payment Regulation) and the ECCN (Export Control Classification Number) in accordance with US export legislation.

16.3 At the request of the Customer, the Supplier shall be obligated to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Sections 16.1 and 16.2. If the above details are not provided or are provided incorrectly, the Customer shall be entitled to terminate or cancel the contract without prejudice to further claims.

#### **17. Cancellation and termination rights**

In addition to Customer's rights at law, the Customer is entitled to terminate the contract if the Supplier's financial circumstances have deteriorated significantly or there is a risk that this will occur and as a result the obligation to supply goods and services is put at risk or if insolvency occurs or if the Supplier suspends payments. The Customer may also terminate the contract if the Supplier comes under the controlling influence of a competitor of the Customer.

#### **18. Corporate responsibility, code of conduct and minimum wage**

18.1 The Supplier declares its commitment within the scope of its corporate responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labor law and legislation on the maintenance of employees' health, and does not tolerate child or forced labor in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. In this context the Customer draws the Supplier's attention to the "VOITH Code of Conduct" that can be consulted at <http://www.Voith.com>. The Customer expects the Supplier to agree to comply with the rules and principles contained therein and provide assistance to ensure that these are observed.

18.2 More especially the Supplier undertakes to comply with the laws that apply in each case in respect of the general minimum wage and to impose this obligation to the same extent of its sub-suppliers. The Supplier shall furnish proof that the above assurance has been complied with, if requested to do so by the Customer. If the above assurance is not adhered to, the Supplier shall indemnify the Customer against claims by third parties and undertakes to reimburse fines imposed on the Customer in connection with this.

#### **19. General provisions**

19.1 Persons who work on the Customer's premises or on the premises of companies associated with the Customer to perform the contract must observe the terms of the respective work rules. Liability for injuries sustained by such persons on the Customer's work premises shall be objectively borne by the employer of those persons, in line with the provisions of Section 269 of the Labour Code. The Customer's management shall, without undue delay, inform the employer of the employee concerned by the injury, pursuant to the provisions of Section 105 (1) of the Labour Code,

permit the Employer to take part in the clarification of the causes and circumstances of the occurrence of the occupational injury, and inform it about the outcome of such clarification.

19.2 The use of inquiries, purchase orders and the associated correspondence for advertising purposes is not permitted. The Supplier shall only be allowed to use the business relationship with the Customer or use the Customer as a reference with the prior written permission of the Customer.

19.3 The Supplier may not assign its claims or rights under a contract with the Customer without the express written approval of the Customer.

19.4 The laws of the Czech Republic shall govern the contractual relationship with conflicts of law and the United Nations Convention on the International Sale of Goods (CISG) being excluded.

19.5 In the event of a dispute between the Supplier and the Customer, courts of the Czech Republic shall have jurisdiction, in line with the provisions of Section 7 of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended (hereinafter referred to as the "CCP"). Local jurisdiction of courts in disputes between the Supplier and the Customer for both parties, in line with the provisions of Section 89a CCP, shall be had by the competent court at the place of the registered office of the Customer.

19.6 If individual provisions of these conditions are or become invalid in full or in part, this shall not affect the remaining provisions.

19.7 These Voith General Purchase Conditions shall become valid and take effect on \_\_\_\_\_

Place, date: \_\_\_\_\_

Voith Company: \_\_\_\_\_