

# General Terms and Conditions of Purchase

- March 2023 -



## 1. Application

- 1.1. These General Terms and Conditions of Purchase shall apply exclusively to the legal relations between us and entrepreneurs (*Unternehmer*) as well as governmental entities (*juristische Personen des öffentlichen Rechts*) (hereinafter: "Supplier") in connection with orders, the delivery of goods and the use of services (hereinafter: "Orders"). They shall also apply in ongoing business relations without the need for any further express reference or separate agreement.
- 1.2. By accepting Orders, the Supplier expressly agrees to the application of these General Terms and Conditions of Purchase. Differing conditions of sale of the Supplier shall not apply even if we do not expressly object to them in individual cases and shall only be valid if we have expressly agreed to their validity in writing. The acceptance of deliveries and services or their payment does not imply agreement to the Supplier's conditions of sale.

## 2. Contract Conclusions

- 2.1. Orders shall only be binding if placed by us in writing, by e-mail or by fax. Verbal or telephone Orders as well as additions and changes to an Order are only effective if we confirm them in a respective form.
- 2.2. If the ordered goods have not yet been manufactured, we may demand changes in design and execution. If these changes lead to additional or reduced costs, we will reach agreement with the Supplier on an adjustment of the Supplier's remuneration. If no agreement is possible, an expert as a third party in accordance with § 317 BGB (German Civil Code) shall determine the adjusted remuneration. If the parties cannot agree on an expert, the expert will be appointed by the President of the Chamber of Commerce Stuttgart. The costs of the expert shall be shared equally.

## 3. Delivery Time, Default

- 3.1. The delivery time stated by us in the Order shall be binding. The Supplier shall be obliged to inform the Purchaser immediately in writing if it is likely

that it will not be able to meet the agreed delivery times, for whatever reason.

- 3.2. If the Supplier is in default (*Verzug*), we may - in addition to further legal claims - demand compensation for our damage caused by default in the amount of 0.5 % of the respective net order value per commenced calendar week, but no more than 5 % of such value. The contractual parties are at liberty to prove higher or lower damages.
- 3.3. The acceptance of delayed deliveries or services does not preclude the assertion of claims for damages due to delay.
- 3.4. We are entitled to refuse acceptance of deliveries and services which are delivered before a delivery date specified in the Order and to return the prematurely delivered goods at the expense and risk of the Supplier or to store them with third parties.

## 4. Delivery Conditions

- 4.1. Unless otherwise agreed in writing, delivery shall be DDP (Incoterms 2020) to the place specified in the Order or, if no such place is specified, to our registered office.
- 4.2. The respective place of destination shall also be the place of performance (*Erfüllungsort*) for the delivery and any supplementary performance (debt to be discharged at creditor's domicile).
- 4.3. Partial deliveries are only permitted with the written consent of the Purchaser and only to the extent that they are reasonably acceptable to the Purchaser.
- 4.4. All deliveries shall be accompanied by a packing slip and a delivery note stating the order number. The delivery note must also contain information on gross and net weight. In the case of partial deliveries, the remaining quantity to be delivered must be indicated. If the delivery note is missing or incomplete, the Purchaser shall not be responsible for any delays in processing and payment resulting therefrom. In addition, a separate dispatch note must be sent to us.

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## 5. Transfer of Risk, Default of Acceptance

- 5.1. The risk of accidental loss or accidental deterioration of the goods shall pass to us upon delivery at the place of performance. If acceptance (*Abnahme*) has been agreed, this shall be decisive for the transfer of risk.
- 5.2. If we are in default of acceptance (*Annahmeverzug*), this shall be deemed equivalent to delivery or acceptance, respectively. In this respect, the statutory provisions shall apply, provided that the Supplier must expressly offer his performance to us even if a specific or determinable calendar period has been agreed for an action or cooperation by us (e.g., provision of material/tools).
- 5.3. If we are prevented from accepting the delivery or service as a result of circumstances which we cannot avert despite exercising reasonable care (e.g., force majeure, disruption of operations, strike, and lockout), the time of acceptance shall be postponed by the duration of the hindrance. If acceptance is not possible for more than six months due to such circumstances, we shall be entitled to withdraw from the contract without any further obligations.

## 6. Prices, Payment Conditions, Set-off and Rights of Retention

- 6.1. The price stated in the Order is binding.
- 6.2. All prices quoted by the Supplier shall be inclusive of statutory Value Added Tax unless this is shown separately.
- 6.3. Unless otherwise agreed in writing, the price shall include all services and ancillary performances of the Supplier, in particular delivery and transport to the shipping address specified in the contract and packaging.
- 6.4. Our payment shall be made within 30 calendar days of complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice stating the Order number. If we make payment within 14 calendar days, the Supplier shall grant a discount (*Skonto*) of 3% on the net amount of the invoice.

- 6.5. We do not owe any interest on maturity. The statutory provisions shall apply to default in payment.
- 6.6. We shall be entitled to set-off and rights of retention to the extent permitted by law. The Supplier shall only be entitled to set-off and rights of retention based on counterclaims which are undisputed or have been legally established.

## 7. Transfer of Ownership

- 7.1. The Supplier's retention of title shall only apply insofar as it relates to our obligation to pay for the respective products to which the Supplier retains title; it shall expire at the latest upon payment of our purchase price.
- 7.2. We are in any case authorized to resell the goods in the ordinary course of business, even before payment of the purchase price, with advance assignment of the claims arising therefrom.
- 7.3. All other forms of retention of title, in particular extended retention of title or retention of title extended to further processing, are thus excluded.

## 8. Provided Material, Further Processing

- 8.1. Material provided by us for the execution of our Orders shall remain our property. It must be expressly marked as our property immediately after acceptance by the Supplier and stored separately from the same or similar material. It may only be used within the scope of the intended production; beyond this, the material may not be disposed of in any other way.
- 8.2. The Supplier undertakes, upon receipt of the materials, to inspect them for deviations in quality or quantity and not to process defective materials. If a quality assurance agreement exists between us and the Supplier, this must be observed. Any deviations in quality or quantity must be notified to us immediately. The Supplier shall be liable for any damage incurred by us due to the breach of these obligations. The Supplier's right to prove that deviations in quality or quantity of the goods provided were not recognizable to him or that no damage was caused to us shall remain unaffected.

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- 8.3. The Supplier is obliged to insure the material provided by us against all usual risks at his own expense.
- 8.4. Any processing, mixing or combination (hereinafter "Further Processing") of our materials by the Supplier shall be carried out on our behalf. The transfer of possession shall be replaced by the fact that the Supplier shall store the goods for us free of charge with the diligence of a prudent businessman.
- 8.5. The same shall apply mutatis mutandis to any Further Processing of the delivered products by us, so that we shall be deemed to be the manufacturer and shall acquire ownership of the product in accordance with the statutory provisions at the latest upon Further Processing.
- 9. Non-Disclosure, Documents**
- 9.1. We reserve the ownership and copyright to all Orders, commissions and drawings, drafts, samples, manufacturing instructions and other documents (hereinafter referred to as "Documents") made available to the Supplier by us. The Supplier may neither make them accessible to third parties nor use or reproduce them himself or through third parties for purposes other than the Orders without our express consent. This shall also apply to the time after termination of the contract. The non-disclosure obligation shall not expire until and to the extent that the knowledge contained in the documents has become publicly known or the Supplier is legally obliged to disclose such information; in this case, the Supplier shall notify us thereof without undue delay.
- 9.2. At our request, the Supplier shall return the documents to us completely and immediately if they are no longer required by the Supplier in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. Copies thereof made by the Supplier shall in this case be destroyed; the only exceptions to this shall be storage within the framework of statutory storage obligations and storage of data for backup purposes within the framework of customary data backup.
- 9.3. The confidentiality provisions above shall apply mutatis mutandis to documents, in particular cost estimates, of the Supplier; however, these may in any case be made accessible to companies affiliated with us; we shall provide information on companies affiliated with us upon request.
- 9.4. A non-disclosure agreement concluded between the parties shall remain unaffected and shall prevail.
- 10. Defective or Non-Conforming Delivery**
- 10.1. The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods and in the event of other breaches of duty by the Supplier, unless otherwise specified below:
- 10.2. Any product information which is the subject of the respective contract - in particular by designation or reference in the Order - shall be deemed to be an agreement on the quality (*Beschaffenheitsvereinbarung*). It makes no difference whether the product information originates from us, the Supplier or a manufacturer.
- 10.3. Notwithstanding § 442 Para. 1 S. 2 BGB, we shall be entitled to assert claims based on defects without restriction even if the defect remained unknown to us due to gross negligence when the contract was concluded.
- 10.4. We do not waive any warranty claims by acceptance or approval of samples or specimens submitted.
- 10.5. The statutory provisions shall apply to the commercial obligation to inspect and give notice of defects (§§ 377, 381 HGB; *Untersuchungs- und Rückpflicht*) subject to the following proviso: our obligation to inspect shall be limited to defects which are revealed during our incoming goods inspection with exterior inspection of the goods as well as the delivery documents (e.g. transport damage, wrong and short delivery) or which can be identified during our quality inspection by sampling procedure. If acceptance (*Annahme*) has been agreed, there shall be no obligation to inspect. In all other respects, it depends on the ex-

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tent to which an inspection is feasible in the ordinary course of business, considering the circumstances of the individual case. Our obligation to give notice of defects discovered later shall remain unaffected. Irrespective of our obligation to inspect, obvious deviations in quality and quantity shall in any case be notified without undue delay and in good time if we notify the Supplier thereof within five working days of receipt of the goods. Concealed material defects shall in any case be notified without undue delay and in good time if the notification to the Supplier is made within five working days of discovery.

- 10.6. Insofar as we have agreed with the Supplier on limit quality values and determine in a sampling procedure that these have been exceeded, we may, without prejudice to other claims, reject the goods completely or inspect those 100% for costs and risk of the Supplier and demand replacement of the actually defective parts.
- 10.7. The limitation period for claims based on defects shall be two years from the transfer of risk; if acceptance (*Annahme*) has been agreed, from this date. Furthermore, claims arising from defects of title shall not become statute-barred under any circumstances as long as the third party can still assert the right against us.
- 10.8. With the receipt of a written notice of defects by the Supplier, the limitation period for warranty claims shall be suspended until the Supplier rejects the claims or declares the defect to be eliminated or otherwise refuses to continue negotiations on our claims. In the case of replacement delivery and rectification of defects, the warranty period for replaced and repaired parts shall commence again, unless we had to assume, according to the conduct of the Supplier, that the latter did not feel obliged to take the measure, but only carried out the replacement delivery or rectification of defects as a gesture of goodwill or similar reasons.
- 10.9. Supplementary performance shall also include the removal of the defective goods and their reinstallation if the goods have been installed in another item or attached to another item in accordance with their nature and purpose of use; our statutory

claim to reimbursement of corresponding expenses shall remain unaffected. The expenses required for the purpose of inspection and supplementary performance shall be borne by the Supplier even if it turns out that there was actually no defect. The purchaser's liability for damages in the event of an unjustified demand to remedy defects shall remain unaffected; in this respect, however, the purchaser shall only be liable if he has recognized or grossly negligently failed to recognize that no defect existed.

- 10.10. If the Supplier does not fulfil its obligation to supplementary performance within a reasonable period of time set by us - at our decision by rectification of the defect or replacement delivery - we shall be entitled to remedy the defect ourselves and may demand reimbursement from the Supplier of the expenses required for this including an appropriate advance payment. If supplementary performance by the Supplier has failed or is reasonably unacceptable (*unzumutbar*) to us (e.g., due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline is required; in such circumstances we will, without undue delay and if possible beforehand, inform the Supplier.
  - 10.11. If a quality assurance agreement has been concluded with the Supplier, this shall remain unaffected and shall take precedence over the regulations agreed here.
- ## 11. Supplier Regress
- 11.1. The statutory recourse claims within a supply chain (supplier recourse - *Rückgriff des Verkäufers* - in accordance with §§ 445a, 445b, 478 BGB) shall leave our warranty claims unaffected. In particular, we shall be entitled to demand from the Supplier exactly the type of supplementary performance (rectification of defects or replacement delivery) which we owe to our customer in individual cases. Our statutory right of choice pursuant to § 439 para. 1 BGB (German Civil Code) shall remain unaffected.
  - 11.2. Before we acknowledge or fulfil a claim for defects asserted by our customer (including reimbursement of expenses pursuant to §§ 445a para. 1,

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439 para 2 and 3 BGB), we will notify the Supplier and request a written statement, briefly stating the facts of the case. If a substantiated statement is not made within a reasonable period of time and if no solution to the defect is reached, the claim for defects actually granted by us shall be deemed to be owed to our customer. In this case, the Supplier shall have the burden of proof to the contrary.

11.3. Our claims arising from supplier recourse shall also apply if the defective goods have been further processed by us or another person, e.g., by installation in another product.

## 12. Compliance with Regulations, Evidence, Corporate Social Responsibility

12.1. The Supplier guarantees compliance with all statutory provisions.

12.2. Particularly in the case of installation and assembly work by the Supplier, the Supplier shall be responsible for compliance with all accident prevention regulations, German occupational health and safety regulations and the like. Persons who carry out work within our premises or within the premises of our customers in fulfilment of the contract must comply with all relevant statutory provisions. Furthermore, they must inform themselves about our and our customer's safety rules and comply with them. In the event of non-compliance, we accept no liability for accidents at our premises, unless we have caused the accident intentionally or through gross negligence.

12.3. Insofar as deliveries are subject to foreign trade obligations, the Supplier shall observe all provisions on its own responsibility. The Supplier shall obtain any necessary approvals. Imported goods shall be delivered duty paid.

12.4. The Supplier undertakes to fulfil all legal requirements arising from the EU regulations on the protection of chemicals (REACH) (in particular registration, notification and approval obligations). The Supplier shall provide us with sufficient information for the safe use of products pursuant to Article 33 of Regulation 1907/2006 EC (REACH Regulation) in accordance with Article 57 of the

REACH Regulation. Should changes in the availability or the intended use of materials, components, assemblies, end products or packaging materials occur as a result of REACH, or should measures be required by us, the Supplier shall inform us of this without undue delay; the Supplier shall also pass on the obligations stated here to its sub-suppliers. Insofar as the Supplier is responsible for damage resulting from the breach of one of the obligations specified here, he shall be obliged to indemnify us against any claims for damages by third parties upon first request and to compensate us for any other damage incurred by him. The materials, components, assemblies, end products or packaging materials shall not contain any substances with particularly alarming properties which are listed in the current REACH candidate list. If substances with particularly alarming properties are contained in a concentration of more than 0.1%, the Supplier shall inform us without undue delay.

12.5. The Supplier undertakes to comply with all statutory requirements of the parts and/or equipment supplied to us in accordance with the requirements of the EU Directives on the Take-Back of Waste Equipment (WEEE) and on Prohibited Substances (currently valid version RoHS 2, Directive 2011/65/EU) as well as the corresponding national regulations in the member states of the EU. This applies in particular to the labelling of equipment, the avoidance of prohibited substances and the provision of information for disposal operators. If changes to the parts and/or equipment to be supplied are necessary to comply with the above legal standards, the Supplier is obliged to obtain our written consent before making these changes.

12.6. The Supplier shall provide any proofs of origin requested by us, e.g., supplier's declarations, trade descriptions, etc., with all required information and shall duly sign them and make them available without undue delay.

12.7. The Supplier undertakes to comply with the Code of Conduct of the amfori BSCI (Business Social Compliance Initiative) (<https://www.amfori.org/>). In particular, he shall ensure that children and young people are only employed in compliance with the

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regulations of the International Labour Organization (ILO), the United Nations (UN) and national law. He will also impose this obligation on his suppliers.

12.8. Further agreements with the Supplier (e.g., based on a quality assurance agreement) shall remain unaffected.

## 13. Ecological Responsibility

13.1. ITT strives for a fair and cooperative business relationship with its business partners. ITT is aware of its responsibility with regard to environmental impact and expects the same from its suppliers.

13.2. ITT expects that the supplier complies with the following:

- observe and comply with national regulations and international standards regarding environmental protection;
- use energy and resources sparingly;
- constantly strive for the use and optimization of improved procedures in the operational processes and technologies used and thus minimize environmental pollution and continuously improve environmental protection;
- has set up or is setting up an environmental management system and a systematic climate management system, and this is practiced accordingly in the company;
- strives to report a specific emissions balance for its products and services; and
- strives to operate as resource-efficiently as possible and to minimize the waste or other negative impacts on people and the environment associated with its products and services, as well as to promote the recyclability of its products.

## 14. Industrial Property Rights

14.1. The Supplier warrants that no industrial property rights and copyrights of third parties (hereinafter referred to as "industrial property rights") in countries of the European Union or other countries in which he manufactures or has manufactured the products are infringed in connection with his deliv-

ery or performance; we are not obliged to investigate whether such industrial property rights of third parties exist.

14.2. The Supplier shall be obliged to indemnify us upon our first written request against all claims asserted by third parties against him because of the infringement of industrial property rights mentioned in 13.1 and to reimburse us for all necessary expenses in connection with such assertion. This shall not apply if the Supplier proves that he is neither responsible for the infringement of the industrial property rights nor could have been aware of the infringement at the time of delivery while exercising the care of a prudent businessman.

14.3. Any further legal claims of us due to defects in title of the products delivered to us shall remain unaffected.

14.4. The period of limitation for the rights of the purchaser under this Clause 13 shall be ten years, commencing with the conclusion of the contract.

## 15. Product/Producer Liability

The Supplier shall be responsible for all claims asserted by third parties due to personal injury or damage to property which are attributable to a defective product supplied by him, as well as for such product damage the cause of which lies within his sphere of control and organization and shall be obliged to indemnify us from the liability resulting therefrom to the extent that he is himself liable externally. Within the scope of his obligation to indemnify, the Supplier shall reimburse expenses in accordance with §§ 683, 670 BGB (German Civil Code) resulting from or in connection with a claim against third parties including a recall action carried out by us. The purchaser shall inform the Supplier - as far as possible and reasonable - of the content and scope of recall measures and give him the opportunity to comment. Further legal claims remain unaffected.

## 16. Special Conditions for Tools

16.1. The following terms and conditions shall apply in addition when ordering parts for the production or manufacture of which the Supplier uses tools, for

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which we pay the tool costs as agreed or which are made available to the Supplier by us:

Tools within the meaning of these conditions are in particular stamping and cutting tools, injection molds, pressure casting molds, press molds, chill molds, models and dies.

- 16.2. The tool costs are inclusive of statutory Value Added Tax unless this is shown separately.
- 16.3. Tools which we make available to the Supplier, or which are purchased or manufactured for contractual purposes and charged to us separately by the Supplier shall remain our property or become our property, respectively. This also gives to us the right to transfer the tools to third parties for the production of parts for us, as well as to repair, renew or modify the tools ourselves or by third parties. The Supplier is obliged to mark the tools as our property, to store them carefully at his expense and to protect them against damage of any kind to a reasonable extent.
- 16.4. Unless otherwise agreed, the costs of their maintenance and repair or replacement shall be borne equally by the contracting parties. However, insofar as these costs are attributable to defects in the objects manufactured by the Supplier or to improper use on the part of the Supplier, its employees, or other vicarious agents (*Erfüllungsgehilfen*), they shall be borne solely by the Supplier. The Supplier shall notify the purchaser without undue delay of any not insignificant damage to the tools.
- 16.5. Upon request, the Supplier shall be obliged to return the tools in proper condition to the purchaser if they are no longer required by the Supplier for the performance of the contracts concluded with the purchaser or if the parts produced or manufactured with the tools are not delivered on time or properly.
- 16.6. The Supplier may neither pass on the tools to third parties nor use them for its own- or third-party purposes without the written consent of the purchaser. The non-disclosure obligation in 9.1 and 9.4 applies accordingly to the tools.

## 17. Final Provisions

- 17.1. If the Supplier is a merchant (*Kaufmann*) or governmental entity (*juristische Person des öffentlichen Rechts*), the agreed place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be our registered office in Weinstadt. In all cases, however, we shall also be entitled to bring an action at the place of performance of the delivery obligation in accordance with these General Terms and Conditions of Purchase or a prior individual agreement or at the registered office of the Supplier or in front of other competent courts. Mandatory statutory provisions, in particular those relating to exclusive jurisdiction, shall remain unaffected.
- 17.2. The legal relations in connection with this contract shall be governed by German law including the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG).