

## General Terms & Conditions of Purchase of Motorenfabrik Hatz

Version: 01.01.2021

### 1 Applicable Conditions, Confidentiality, Property Rights, Buyer-Furnished-Parts

1.1 These Terms and Conditions of Purchase of company Motorenfabrik Hatz GmbH & Co. KG, Ruhstorf a. d. Rott, hereinafter also referred to as "HATZ", shall become an integral part of the contracts concluded by HATZ with third parties (hereinafter referred to as "Contractor"), unless deviations are agreed in writing in the contract. They shall also apply to all future transactions with this Contractor. The Terms and Conditions of Purchase are also available on the Internet at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform).

1.2 General terms and conditions of sale and delivery of the Contractor (hereinafter referred to as "Third Party Terms and Conditions") which are contrary to or deviate from these Terms and Conditions of Purchase shall not become part of the contract. This shall also apply even if HATZ has not individually objected to the third-party terms and conditions provided or communicated to HATZ. The unopposed acceptance by HATZ of third-party services and/or deliveries shall not constitute acceptance of third-party terms and conditions.

1.3 The Contractor is obliged to treat all confidential information, business and trade secrets obtained in the course of the business relationship confidentially, in particular not to pass them on to third parties or to use them for purposes other than those contractually agreed. In the Contractor's company, this information may only be passed on to those employees who must be called upon to fulfil the contractual obligations and who are also obliged to maintain secrecy.

1.4 Drawings, drafts, models, tools and similar items provided by HATZ to the Contractor, whether they are originals or copies, are only provided to the Contractor on loan and remain the property of HATZ. They may not be used for other purposes, reproduced or transmitted to third parties or otherwise made known to them or used for services or deliveries to third parties and they must be returned to HATZ as soon as possible, at HATZ request or at the latest immediately after execution of the order. Rights of retention may only be asserted if the claims are undisputed or have been legally established. The above-mentioned items may also not be used for other purposes if they were manufactured by the Contractor but HATZ was involved in their development or if they were manufactured according to HATZ specifications. The Contractor shall handle, maintain and store these provided items with due care and diligence and ensure sufficient risk insurance coverage.

1.5 If HATZ provides parts, these remain HATZ property. The Contractor shall carry out processing or alteration for HATZ and in the case of processing or mixing with third-party property, HATZ shall acquire co-ownership in the ratio of the value of its item to that of the other item(s) at the time of processing or mixing. The Contractor shall mark these parts provided as the property of HATZ, keep them separate from his own objects and store them with the care of a prudent businessman and protect them from damage and loss.

1.6 Without express consent of HATZ, the Contractor shall not use HATZ company name or HATZ logos and business marks in business dealings, nor shall it refer to HATZ or its products in advertising measures or other publications, or refer to them accordingly.

1.7 Regarding copyrighted work results of the Contractor which are achieved in the course of the performance of the deliveries and services, the Contractor grants HATZ the exclusive right of use and exploitation, unlimited in time and place.

### 2 Contract Conclusion, Price, Force Majeure

2.1 The written form shall be required for contracts of delivery and services (also insofar as they are concluded through ordering and acceptance) and delivery call-offs, as well as their amendments and supplements and all other agreements relating to a contract or its handling.

Oral agreements are only effective if they are confirmed in writing by one party without delay. Specifications, performance descriptions and information provided to the Contractor in the ordering process shall be checked by him for completeness and suitability with regard to the purpose intended by HATZ, insofar as this purpose is known or should have been known. If it becomes apparent that adjustments or the exchange of further information is necessary, the Contractor shall inform HATZ of this in good time.

If orders of HATZ are only accepted by the Contractor with deviations, the Contractor shall expressly point this out in a prominent place; the contract shall only be concluded with consent of HATZ. Acceptance or payment of the goods shall not be deemed to be consent.

2.2 In the absence of an express written price agreement, a contract shall not be concluded and a call-off for deliveries shall not be binding on HATZ, unless expressly agreed otherwise.

## 2.3

All events of force majeure as well as operational disruptions of any kind for which v is not responsible and which result in a restriction or cessation of HATZ operations shall entitle HATZ to postpone the fulfilment of accepted acceptance obligations or, if the performance is no longer of interest to HATZ at a later date, to withdraw from the contract in whole or in part. Strike, lockout and other circumstances at premises of HATZ or of third parties, which permanently disrupt operating procedures of HATZ and make it considerably more difficult or impossible for HATZ to fulfil its obligations shall be deemed equivalent to force majeure. HATZ is obliged to inform the Contractor about such situations and their effects on the business relationship as timely as possible and reasonable.

### **3 Orders, Offers, Service Content, Changes, Subcontracts**

## 3.1

HATZ expects the Contractor to declare to HATZ within three (3) working days whether he accepts or rejects an order placed by HATZ; the right of HATZ to revoke an order until receipt of the declaration of acceptance remains unaffected. The declaration of acceptance must contain following HATZ order details: Order number, order position, net price per unit, quantity, total net price, terms of payment, delivery date, delivery address, Incoterms, supplier name/address/number.

## 3.2

In the absence of an express declaration to the contrary, every price quotation is to be understood as meaning that the goods or services are to be handed over to HATZ or rendered in Ruhstorf a. d. Rott or the expressly agreed other place of delivery and that all costs, duties, fees, taxes, customs duties, insurance, freight and packaging incurred or justified up to that point are included in the price.

## 3.3

Unless the Contractor has expressly, unambiguously, easily recognizable and in writing stated otherwise in his offer or at the time of the conclusion of the contract, he shall be liable for ensuring that his delivery or service is suitable for the intended use specified by HATZ or resulting from the nature of the object or which is customary in the industry, that it complies with the legal provisions applicable in Germany in each case and that it corresponds to the information in technical descriptions, test certificates, certificates of origin, attestations or confirmations which HATZ has requested up to the conclusion of the contract or which the Contractor has submitted to HATZ or which have been generally published by the Contractor or with his knowledge. Unless expressly owed, HATZ release of drawings, calculations and other documents of the Contractor shall only represent a non-binding approval and shall not release the Contractor from compliance with the above specifications.

## 3.4

If changes to the goods are necessary, also with regard to construction and design, HATZ can request a corresponding change at any time. The Contractor will examine the effects on additional and reduced costs and delivery dates, if necessary, make an appropriate offer of modification and reach agreement with HATZ on an adjustment of the contract.

## 3.5

The use of third parties for the performance of the contract or their replacement requires HATZ prior consent. If the use of third parties is intended from the very beginning, the Contractor shall inform HATZ of this in the offer. The third party shall be assigned the same obligations as the Contractor has assumed towards HATZ.

### **4 Dates, Delivery, Dispatch, Transfer of Risk, Retention of Title, Contractual Penalty, Documents**

## 4.1

Agreed dates and deadlines are binding. The receipt of the goods at the contractual place of delivery shall be decisive for compliance with the delivery date or delivery period. The Contractor shall notify HATZ immediately in writing of any delays identified by the Contractor, stating the expected duration of the delay and the measures taken to avert its probable effects.

## 4.2

The Contractor shall carefully safeguard the interests of HATZ during dispatch and transport and observe and comply with applicable regulations on hazardous goods. The goods are to be packed with packaging materials approved at the place of destination in such a way that, depending on the nature of the goods to be shipped, transport damage can be avoided and appropriate storage can be provided. The specifications of the Hatz document "Supply-Chain-Specification for Suppliers of Motorenfabrik Hatz" shall apply, which can be downloaded from [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform).

## 4.3

The risk shall not pass to HATZ until HATZ has accepted the item without reservation at the agreed place of delivery. In the case of work performances and items which the Contractor has manufactured on behalf of HATZ, the risk shall only pass to HATZ when HATZ has received the item and formally accepted it in writing without reservation; the acceptance shall be carried out at the request of the Contractor.

## 4.4

If the Contractor retains title to the goods in a permissible manner until full payment for the service has been made, HATZ shall be entitled to continue to use, process and deliver the service as intended.

## 4.5

If the Contractor culpably defaults on delivery or performance, he shall incur a contractual penalty of 0.075 percent of the gross remuneration agreed for this delivery/service per day of default, but not more than five percent of this remuneration in total. HATZ reserves the right to demand the penalty until payment of this delivery/service. The right of HATZ to claim damages in excess of this amount, taking into account the contractual penalty, and the Contractor's right to prove to HATZ that HATZ has not suffered any damage shall remain unaffected.

## 4.6

The agreement of new dates after a delay has already occurred or the Contractor has declared that he will not meet the agreed date, or the unconditional acceptance of goods delivered late, does not constitute a waiver of the rights to which HATZ is entitled from delayed delivery.

## 4.7

Quantities specified in the contract or the call-off for delivery must be strictly adhered to. Deviations gives HATZ the right to refuse acceptance. Without express agreement, the Contractor is not entitled to partial performance or successive fulfilment. Early deliveries can be returned by HATZ or put into stock, both at the expense and risk of the Contractor and in such a way that the payment period continues to be calculated according to the agreed delivery date.

## 4.8

Delivery notes shall be issued in accordance with Hatz "Supply-Chain-Specification for Suppliers of Motorenfabrik Hatz" (see Section 4.2 above) and shall contain the information specified therein.

## 4.9

Invoices shall contain the legally required information and HATZ specified order number, order item, material number, net price per unit, quantity, total net price, terms of payment, bonuses and discounts, if applicable. Any value added tax to be paid must be shown separately. Incorrect or incomplete invoices can be rejected by HATZ. If this results in delays in the normal course of business, the payment deadlines shall be extended by the period of time caused by this delay.

## 4.10

In order to compensate for additional expenses of administrative management, HATZ shall be entitled to claim lump-sum damages in the amount of EUR 100.00 for each case of (1) deviation from the "Supply-Chain-Specification for Suppliers of Motorenfabrik Hatz" (see Section 4.2 above) culpably caused by the Contractor, (2) premature delivery, (3) excess delivery and (4) inadequate issue of delivery notes, invoices, supplier declarations and certificates of origin. HATZ expressly preserves the right to assert further claims for damages. In any case, the Contractor reserves the right to prove that the damage incurred is less than the lump sum charged.

## **5 Receiving Inspection, Warranty, Rights and Handling, Producer Liability, Recall, Limitation Period**

## 5.1

The Contractor is obliged to carry out quality control during production and to carry out a final inspection of the goods and must therefore comprehensively inspect the quality of the parts to be delivered. HATZ shall inspect the goods on receipt for their conformity with the order only regarding the identity and completeness and for externally visible damage, in particular for transport damage. HATZ shall give notice of such defects within a reasonable period. A complaint which is made within 14 working days calculated from delivery shall in any case be in good time, unless it is a matter of defects or deviations in quantity which are already clearly recognizable on delivery of the goods. HATZ reserves the right to carry out a more comprehensive inspection of incoming goods, whereby HATZ shall at its discretion apply application-related, production-related or product-related test methods. Furthermore, HATZ shall give notice of defects as soon as they are identified according to the circumstances of the ordinary course of business. In this respect the Contractor waives the objection of delayed notification of defects.

If HATZ determines within the framework of the inspection of incoming goods or during the warranty period that delivered goods are faulty or defective, these may be returned by HATZ or accepted into stock, both at the cost and risk of the Contractor.

## 5.2

a) The Contractor warrants that the goods delivered correspond to the specification, are of a quality customary in the market and are otherwise free of any defects. If the Contractor is responsible for the design, he also warrants that the design is free of any defects. In the event of defective or non-compliant performance of the contract, HATZ shall be entitled to the full statutory claims. If a consumer or another buyer of a product manufactured by HATZ makes a claim against HATZ for defects or damage caused or partly caused by a product or service delivered to HATZ by the Contractor in a defective or non-compliant manner, the provisions of §§ 445 a, 478 BGB shall apply accordingly to the recourse of HATZ against the Contractor, unless HATZ has further claims based on other statutory or contractual provisions. If the goods are installed in HATZ products and serial defects occur, HATZ will provide the Contractor at the risk and expense of the Contractor with a representative quantity of defective goods for the purpose of diagnosis.

b) If the goods are defective, HATZ shall be entitled to choose the type of rectification. The Contractor may refuse to carry out the selected type if it is only possible at disproportionate cost. In urgent cases, in particular to avert acute danger and to avoid major damage (such as interruption of production), HATZ shall be entitled, if the Contractor does not remedy the defect immediately, to carry out such remedy itself at the Contractor's expense or to have it carried out by third parties. If there are defects of title (such as the infringement of third-party property rights) for which the Contractor is responsible, he shall be liable for the expenses and damages resulting from the infringement of third-party rights and shall indemnify HATZ against all claims arising from the use of such rights.

c) The Contractor shall bear all costs of defect rectification incurred by him and HATZ, such as transport, travel, examination, labor and material costs or costs for an incoming goods inspection exceeding the usual scope. The same applies to any dismantling and installation costs incurred. If examinations and tests are necessary to verify the contractual performance, the Contractor shall carry these out at its own expense.

d) Insofar as the Contractor is responsible for the defect, HATZ is entitled to claim a lump-sum compensation for additional administrative expenses in the amount of EUR 100.00 for each warranty claim filed by HATZ. HATZ expressly preserves the right to assert further claims for damages. In any case, he reserves the right to prove that the damage incurred is less than the lump-sum amount charged.

e) HATZ reserves the right to retain 5% of the order value as security for the duration of the agreed warranty period. This retention can be redeemed by the Contractor step by step against delivery of an unconditional, unlimited, irrevocable, directly enforceable guarantee of a major domestic bank, payable on first demand. Content and text of the guarantee can be found at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform).

### 5.3

a) The Contractor shall indemnify HATZ from any obligation arising from manufacturer's liability, including any expenses arising from and in connection with recall actions which affects HATZ due to faults or defects in the goods or services supplied by the Contractor, insofar as the faults or defects were caused in his area of control and organization. This shall also apply if HATZ has further processed the goods, but the Contractor is responsible for the defect triggering the manufacturer's liability. In cases of fault-based liability, the Contractor shall only be liable if he is at fault. Any further statutory claims to which HATZ is entitled shall remain unaffected.

b) Within the scope of the above provision, the Contractor shall provide HATZ with all information and support necessary for the proper and timely execution of recall actions or for the defense against claims. At HATZ request, the Contractor shall draw up a corrective action plan and submit it to HATZ for review and approval.

c) The Contractor is liable for all measures to prevent product safety risks to the extent he is legally obliged to do so:

d) To cover the product liability risk, including the recall risk, the Contractor undertakes to take out at its own expense a business / product liability insurance policy with a coverage of at least EUR 5,000,000.00 per claim with a reputable insurance company and to maintain it for a period of 10 years from the date of performance of the contractual service. Upon request, the Contractor shall present HATZ with a current insurance policy. Such presentation shall not release the Contractor from its own obligation to assess the adequacy of the insurance policy and shall not constitute a waiver of any claims to which HATZ is entitled.

### 5.4

The statutory provisions and the statutory periods of limitation plus a period of six months in each case shall apply to the limitation of HATZ claims arising from defective or non-compliant performance of the contract, unless longer periods of limitation apply according to the jurisdiction of the courts or on the basis of HATZ contractual agreement with the Contractor. The period of limitation begins with the delivery of the defective goods (transfer of risk), unless the defective goods are used for installation in HATZ products. In the latter case, the limitation period shall commence upon commissioning of the product by HATZ customer, but no later than 12 months after delivery of the goods (transfer of risk). For parts replaced or exchanged within the scope of defect rectification, the period of limitation shall begin anew.

## 6 Payments, Discounts, Assignments, Due Date, Set-Off

### 6.1

a) Unless otherwise agreed, HATZ payments shall be made within 14 days after receipt of goods and invoice with a 3% discount or within 45 days without any discount, provided that the contractually agreed performance and correct invoicing have been fulfilled. HATZ is entitled to pay by sending crossed cheques or by bank transfer at its discretion. Payment shall be deemed to be on time if HATZ has demonstrably issued the payment order to the financial institution or sent the cheque to the Contractor within the aforementioned period.

b) If the invoices do not contain the information specified under Section 4.9 above, the 14-day period for cash discount deduction shall not commence until the day on which all the information required by HATZ has been provided. HATZ does not honor cash on delivery shipments; the costs arising from this shall be borne by the Contractor.

c) If, as agreed, the invoice is issued in a foreign currency, HATZ shall be entitled to payment in Euro or to offset against a Euro claim. The Euro reference rate of the European Central Bank at the time of payment or set-off is decisive for the currency conversion.

d) If HATZ agrees with the Contractor that HATZ will make down payments before the agreed date of delivery and performance, these shall be made concurrently with the handing over of an unconditional, unlimited, irrevocable, directly enforceable down payment guarantee of a major domestic bank to be obtained by the Contractor and payable on first demand. The content and text of the payment guarantee can be found at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform).

### 6.2

The Contractor is not entitled to assign his claims or have them collected by third parties without HATZ prior written consent, which may not be unreasonably withheld. Insofar as HATZ has agreed to an advance assignment of its claims against its customer within the scope of a retention of title by the Contractor, the disclosure of this assignment shall only be made if HATZ is in default of payment and a reasonable grace period set by the Contractor has expired without success.

6.3  
If the Contractor becomes over-indebted, illiquid or threatened illiquid and an application is therefore made to open insolvency proceedings against his assets, all HATZ claims against him shall be deemed due and unconditionally payable at the time of filing an application for insolvency, even if they are deferred claims, claims subject to a condition subsequent or claims subject to a condition precedent. Insofar as HATZ has claims against Contractor at this point in time which are not monetary in nature or the monetary amount of which is uncertain or undetermined, HATZ is entitled, at its reasonable discretion, to quantify the amount of money owed and to demand this amount.

6.4  
If insolvency proceedings are opened against the assets of Contractor, HATZ shall be entitled to set off against his claims also against claims to which HATZ is entitled, which are still conditional or not yet due and/or which are due to a third party in which HATZ is directly or indirectly involved at that time or which is then involved in HATZ. Insofar as claims against the contractual partner at this point in time are not monetary in nature or their monetary amount is undetermined or uncertain, HATZ shall be entitled to quantify the amount of money owed at its reasonable discretion.

6.5  
The Contractor may only set off claims against HATZ claims or assert rights of retention that are undisputed or have been legally established.

## **7 Quality and Control**

7.1  
In the development and manufacture of the Goods the Contractor shall observe the latest state of the art and comply with all quality standards, statutory regulations and other requirements as well as the agreements individually agreed with HATZ (e.g. quality assurance agreement). He shall maintain a quality management system and continuously develop this in accordance with the respective state of the art. For this purpose, the Contractor shall use a quality assurance system in accordance with ISO 9001 or equivalent, which also includes the supplies and ancillary services of third parties commissioned by him. If deliveries and services of the Contractor are intended for the HATZ Components Division, a quality assurance system shall be required which complies with IATF 16949. The Contractor shall prove the respective effectiveness of the quality assurance system to HATZ on request. If this quality assurance system has been certified by an accredited body, he shall submit to HATZ a copy of the certificate and its respective updates. If the certificate is revoked, HATZ shall be informed immediately, stating the reasons.

7.2  
The Contractor shall inspect material furnished by HATZ immediately after receipt thereof for type, dimension, number and identifiable defects and shall notify HATZ and the consignor in writing without delay of any complaints. If the Contractor discovers transport damage on receipt after transport or suspects transport damage or if he recognizes that the material has been lost in whole or in part, he shall immediately initiate a complaint to the carrier.

7.3  
The Contractor meets all requirements to complete the material release procedure of HATZ in due time.

7.4  
The Contractor shall constantly inspect the quality of his deliveries and services. Subject to other instructions from HATZ, the Contractor shall examine random samples before delivery and record the results of the examination in a suitable form.

7.5  
The Contractor shall prepare records of his quality tests and keep them for at least the warranty period and shall make them available to HATZ immediately and free of charge on request.

7.6  
If the Contractor identifies a deviation in quality in the course of regular delivery, delivery of the Goods concerned may only be carried out within the framework of a deviation permit issued by HATZ. Deviations must be notified with the HATZ form "FB009 Application for Construction Deviation" (available in the latest version at [www.hatz-diesel.com/company/materialsmanagement/purchasingplatform](http://www.hatz-diesel.com/company/materialsmanagement/purchasingplatform)) with submission of all necessary information and data. The deviation application is to be sent to the email address [deviationrequest@hatz-diesel.de](mailto:deviationrequest@hatz-diesel.de). The deviation permit granted by HATZ shall be submitted to the Contractor in writing prior to delivery and always relates only to a specific delivery, a specific quantity or a specific period of time. To compensate for the expenses incurred, HATZ reserves the right to charge a lump-sum expense allowance in the amount of EUR 100.00 in case of repeated application and granting of permission concerning the same subject matter. A deviation permit granted shall not release the Contractor from its obligation to duly perform the contract in all other respects.

7.7  
With reasonable notice in advance, HATZ and a third party commissioned by HATZ, a competent authority or, together with HATZ, HATZ customer may carry out quality audits and reasonable inspections of the Contractor's production and storage facilities during normal business hours. For this purpose, the Contractor shall grant HATZ the appropriate access rights and all support in the form of information, documents and reports. As far as appropriate, the Contractor shall oblige its suppliers to the same extent and enable HATZ to carry out an audit there.

## 8 Spare Parts Supply, Product Discontinuation Notification

For the intended service life of the Goods manufactured by the Contractor, but at least for 15 years from the cessation of serial production of the Goods, the Contractor shall ensure that spare parts are available for delivery at all times. HATZ shall be informed in writing in good time before discontinuation of series and parts production. The Contractor shall provide HATZ with a final order to cover the demand to be forecast.

If the Contractor has an ongoing business relationship with HATZ, he shall provide HATZ with a written product discontinuation notice in good time in the event of intended discontinuation of a Good. After receipt of the notification of product discontinuation HATZ shall be granted sufficient time to carry out an internal company obsolescence process. After the discontinuation of delivery items HATZ must be enabled, among other measures, to qualify alternatives, check the scope of the necessary re-design measures, determine the quantities for bridging stockpiling and, if necessary, also inform its customers of the expected consequences.

## 9 Customs, Export Control

9.1  
The HATZ conditions for customs and foreign trade law requirements as set out in the "Supply-Chain-Specification for Suppliers of Motorenfabrik Hatz" (see Sect. 4.2 above) shall apply.

9.2  
For the purpose of obtaining tariff preferences, the Contractor shall confirm the origin of the deliveries to HATZ in compliance with the statutory provisions. The presentation of corresponding declarations of origin or movement certificates or valid long-term supplier's declarations shall be made by listing the information required in the above conditions.

9.3  
The Contractor shall inform HATZ in due time whether there are any licensing requirements or restrictions for (re)exports of its Goods (goods, technology and software) in accordance with German, European or US export and customs regulations as well as the export and customs regulations of the country of origin of its Goods. If this information is not contained in the offer or the order confirmation but in further correspondence, the Customer must make the information and notes sufficiently recognizable and address them to a competent contact person in HATZ company according to the significance of this information.

If there is an obligation to obtain approval, he must provide HATZ with the following information in good time before the first delivery:

- (1) Export list numbers according to the Foreign Trade Regulation and list numbers according to the EU Dual-Use Regulation,
- (2) Export Control Classification Number (ECCN) according to the US Export Administration Regulation (EAR) and the category of the US Munitions List (USML) according to the International Traffic in Arms Regulations (ITAR),
- (3) with regard to US goods: the commercial origin of the goods and their components, including technology and software; whether the goods have been transported through the USA, manufactured or stored in the USA or have been manufactured with the aid of US technology; whether the goods are subject to US (re-)export regulations; whether a US export license was required when exporting from the USA and, if so, under what conditions this license was issued or which simplifications were used;
- (4) notification of the statistical commodity code (HS Code) of the goods;
- (5) the contact person in his company responsible for queries in this regard.

The Contractor shall inform HATZ continuously and without delay of any changes in the export legal situation of its goods resulting from technical or legal changes or new findings of the competent authorities.

## 10 Compliance with Public Law Regulations and Company Standards

10.1  
The Contractor shall provide his deliveries and services in constant compliance with all relevant laws, regulations or orders and industry standards. In particular, the goods must comply with the relevant product safety, environmental and work regulations. He shall establish and maintain an environmental management system ISO 14001 within the scope of his capabilities.

10.2  
If the Contractor or his employees work on HATZ premises, the provisions as laid down in HATZ document "FB260" for occupational safety and environmental protection for external companies and their employees" shall apply. These are available at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform).

The Contractor must notify HATZ of any hazardous substances brought along before entering HATZ premises and their use. In particular, Contractor shall ensure that only personnel specially trained for the handling of hazardous goods and substances is employed and that only auxiliaries, containers and equipment are used that are suitable and approved for the transport of these hazardous goods and substances. Waste that is contaminated with the hazardous substances brought along and unused residues must be taken along by the Contractor on leaving HATZ premises after completion of the associated activity and, if necessary, disposed of in a legally compliant and professional manner.

10.3  
With the factory standard "FB 700 Hatz Material Compliance Standard", HATZ regulates the use of prohibited ingredients, ingredients subject to approval and ingredients subject to declaration in the products of the suppliers and

the associated labeling, packaging, information and documentation obligations (such as substances according to the Reach Regulation (EC) No. 1907/2006, the RoHS Directive 2011/65/EU, EU Regulation 2017/821 (Conflict Minerals) and the Dodd-Frank Act, Section 1502, applicable in the USA). The current "FB 700 - Hatz Material Compliance" is available at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform) and is continuously adapted by HATZ to the legal requirements. The Contractor undertakes to comply with the obligations and regulations set forth in the respective current factory standard during the development, manufacture and delivery of its products and after bringing these products into the market.

The Contractor shall indemnify and hold HATZ harmless from and against any and all liability in connection with the Contractor's failure to comply with the requirements set forth in the factory standard or to compensate HATZ for any damages resulting from the Contractor's failure to comply with such requirements.

#### 10.4

At the separate request of HATZ the Contractor shall document the material composition of the Goods to be supplied by him in the International Material Data System (IMDS), available at [www.mdsystem.com](http://www.mdsystem.com), and if necessary also in systems of other organizations. This shall apply in particular, but not exclusively, to products, semi-finished products or materials which are intended for use in motor vehicles. HATZ shall inform the Contractor whether a particular delivery item is intended for its intended use, if this is not already apparent from the order documents.

#### 10.5

If the Goods to be delivered by the Contractor are subject to the 9th Regulation on the Product Safety Act (Machinery Regulation) or the 1st Regulation on the Product Safety Act (Electrical Equipment), the Contractor shall affix a CE mark to them, issue a declaration of conformity and operating instructions in text form and enclose these documents with the delivery. If the machine is an incomplete machine, assembly and operating instructions must be drawn up and a declaration of incorporation issued and these documents enclosed with the delivery.

#### 10.6

The Contractor revocably agrees that HATZ may process and handle personal data received in the business relationship and subject to data protection in accordance with the statutory provisions. If the Contractor gains knowledge of personal data of HATZ employees or agents in the course of the business relationship, he may process these data exclusively for the purpose of processing the contract. He does not acquire any rights to the personal data and is obliged to correct, delete or restrict processing in accordance with the statutory provisions. The Contractor shall organize its business operations in such a way that the requirements of the applicable data protection law are fulfilled at all times, in particular by technical and organizational measures to protect the personal data from misuse and loss.

#### 10.7

The Contractor must ensure that the employees of his company and of the subcontractors commissioned by him receive the statutory minimum wage or, in the case of temporary employment, the minimum hourly wage. Illegal employment of any kind shall be prohibited. In the event of infringement of the above obligations the Contractor shall be liable to HATZ for any damage and shall indemnify HATZ against any claims of third parties.

## 11 Compliance

### 11.1

Within the business relationship with HATZ, the Contractor undertakes not to offer or grant or demand or accept advantages in business dealings with HATZ or with third parties or in dealings with public officials which violate applicable anti-corruption regulations. In the business relationship with HATZ, he will also not enter into any agreements or concerted practices with employees of HATZ company or third parties which have the purpose or effect of preventing, restricting or falsifying competition and which are therefore in breach of anti-trust law.

### 11.2

HATZ expects its contractors to strictly comply with all applicable laws and to adhere to the principles set forth in the "Code of Conduct for Suppliers of Motorenfabrik Hatz GmbH & Co. KG", available at [www.hatz-diesel.com/en/company/material-management/purchasing-platform](http://www.hatz-diesel.com/en/company/material-management/purchasing-platform). HATZ is entitled to carry out compliance audits after prior notice and in compliance with trade secrets.

If there is any suspicion of violations of the above compliance obligations, the Contractor must immediately clarify these and inform HATZ of the result of the clarification. In the event of justified suspicion, HATZ expects immediate notification of the measures taken to remedy the situation and the precautions taken to avoid future incidents. If the Contractor does not comply with these obligations or if there is a serious breach, HATZ is entitled to withdraw from the contract or to terminate it as far as is appropriate and, in the case of culpable breach, to assert claims for damages.

## 12 Withdrawal, Termination

### 12.1

If no regulation has been made in individual contracts, the right of HATZ to terminate or withdraw from the contract is governed by the statutory provisions. Thus, among other things, HATZ is entitled to terminate the contract for good cause in the case of continuing obligations in accordance with § 314 BGB (German Civil Code) or in the case of contractual services in accordance with § 648a BGB.

### 12.2

In addition to the statutory rights of withdrawal, HATZ is entitled to terminate the contract if a significant deterioration in the financial circumstances of the Contractor has occurred or threatens to occur and this endangers the performance of

the contract for HATZ. Furthermore, HATZ shall be entitled to terminate the contract if (1) the Contractor becomes insolvent or suspends payments, (2) the Contractor becomes insolvent or over-indebted, which is to be assessed according to insolvency law, (3) the Contractor applies for the opening of insolvency proceedings on the assets of its business or such opening is rejected.

#### 12.3

Insofar as the Contractor has effected partial performance, HATZ shall only be entitled to withdraw from the entire contract if HATZ has no interest in partial performance.

### **13 Final Provisions**

#### 13.1

All claims and legal disputes arising from this contractual relationship shall be governed by the law of the Federal Republic of Germany with the exception of the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).

#### 13.2

The place of jurisdiction for all claims and legal disputes arising from this contractual relationship is 94032 Passau, Germany.

#### 13.3

If individual provisions of these terms and conditions of purchase are invalid, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by mutual agreement by a provision which corresponds to the economic purpose of the provision which has ceased to apply. This applies accordingly if the conditions of purchase are ineffective as a whole.

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