

## General Terms and Conditions of Purchase

Edition: 01.08.2020

### General

The following terms of procurement apply to ZÖLLNER Signal GmbH and ZÖLLNER System GmbH, both covered by the term ZÖLLNER in the following. A contract is only concluded by a written order confirmation. Deviations have to be expressly pointed out in the order.

## 1 Exclusive Validity of the Ordering Terms and Conditions, Content of Contract

Unless agreed otherwise in writing, the legal relations between you and us are based exclusively on these General Terms and Conditions. Contrary sales terms and conditions do not apply, even insofar as we do not explicitly object to their validity in individual cases, and in particular insofar as we accept ordered goods without any objection. With delivery for the first time under these terms and conditions of purchase, you accept the exclusive validity of these terms and conditions of purchase for all further orders.

## 2 Deadlines and Consequences of Failures to Comply with Deadlines

2.1 Any agreed deadlines for the deliveries or service provisions are binding. If any delays are anticipated or have occurred, you must inform us of this immediately.

2.2 If you do not accept our order within 14 days, we are entitled to cancel our order.

2.3 If the delivery date is exceeded due to your culpability (arrears), we shall be entitled to demand compensation for damages without any prejudice to our other rights. We are entitled to reserve the right to demand an agreed contractual penalty due to improper performance (Article 341 of the German Civil Code – Bürgerliches Gesetzbuch, BGB) up to 1 month after acceptance of the delivery or service. If the agreed date of delivery or service provision is met within -4 to +1 business days, the delivery or service provision shall be deemed to be on time. In the case of deviations from the agreed date of delivery by more than -4 to 1 business days, we shall have the right to claim a lump sum in the amount of 0.2% of the sales price per calendar day up to a maximum of 5% of the sales price as compensation. We reserve the right to submit proof of additional damages.

2.4 If you fail to deliver or to perform a service within a subsequent period defined by us, we shall be entitled upon expiry of this period – even without a corresponding threat – to refuse acceptance, to withdraw from this contract or to demand compensation for damages due to nonperformance.

2.5 You can only rely on the absence of necessary documents and/or other equipment supplied by us, if you have requested them in writing and have not received them within a reasonable time.

### 3 Prices

The prices are fixed prices and are quoted in Euro. They include all expenses relating to the deliveries and services to be performed by you. This applies in particular, but not exclusively, to packaging, transport, possibly due taxes, duties, and other expenses, as well as insurances.

### 4 Realization and Delivery

4.1 The place of performance is our registered office of ZÖLLNER in Kiel, Germany, unless otherwise expressly agreed in writing.

4.2 You may assign subcontracts only with our consent, unless such subcontracts only involve the supply of standard parts. Delivery schedules are binding with regard to the type and quantity of the scheduled goods, and the delivery time; partial deliveries require our consent.

4.3 A delivery note must be enclosed with every delivery, which shows our order number and the designation of the content, specifying the type and quantity. For the scope of delivery, the respective written order confirmation shall prevail.

4.4 Packaging is included in the price. You must ensure that the goods are adequately protected against damage and that the packaging conforms to a standard that is generally applicable to the corresponding type of product.

4.5 In addition, you must also provide us with all the necessary assembly plans, data sheets, installation instructions, processing instructions, storage, operating, and maintenance instructions free of charge for verification prior to delivery and include the same with each delivery. Exceptional conditions that normally would not be expected must be pointed out separately and indicated on the delivery note. In the case of software products, the delivery obligation is not fulfilled until the full documentation (technical and user) is handed over. In the case of software- programs created specially for us, it is also necessary to deliver the software-program in its source format, together with a written explanation.

### 5 Invoices, Payments

5.1 Payment of the invoice amounts will be made in accordance with the conditions set out in the order by bank transfer stating our respective order number.

5.2 Your claim to the fee becomes due for payment at the earliest after receipt of the goods and receipt of your invoice. The decisive factor is the specifically agreed delivery and/or due date agreed for the respective order. Any alteration of the due date due to the actual delivery or provision of service outside the delivery period window stated under Point 2.2 requires our written consent in order to become valid. A payment is deemed to have been made by us on time if our bank received the credit transfer order or the check was dispatched within the payment period.

5.3 Payments do not represent an acknowledgment that a delivery or provision of service was as agreed. In the event of an incorrect or incomplete delivery or provision of service, we are entitled, without any prejudice

to our other rights, to retain payments for all claims arising from the business relationship forming the subject of the payment to an appropriate degree and without any compensation up to the time of proper performance.

## **6 Safety in Operation, Environmental Protection**

6.1 Your delivery and/or provision of service must comply with the pertinent legal provisions, particularly any safety and environmental protection provisions, including the pertinent provisions regarding hazardous substances, such as REACH or ROHS, and the safety recommendations of the German and European technical bodies or associations, such as VDE, VDI, DIN, EN, CE, and also must comply with the current state of the art. Pertinent certificates, test certificates, and other verifications must be provided free of charge.

6.2 With regard to deliveries and the provision of services, you bear sole responsibility for compliance with the accident prevention regulations. Any protective devices required by such regulations and any possible instructions of the manufacturer must be provided free of charge.

## **7 Certificates of Origin, Import, and Export Provisions, Customs**

7.1 You undertake to provide all explanations and information required for export, import, and in relation to customs law, to permit inspections by the customs authorities, and to provide all necessary official confirmations, such as long-term supplier's declarations for products having preferential origin status, certificates of origin, and similar.

7.2 You shall designate items subject to mandatory export licenses or the US re-export provisions in your order confirmation. In particular, you hereby accept responsibility for obtaining any necessary export licenses for your delivery and/or provision of service that are subject to both the US American export law and also the export law of other pertinent states. You must make a copy of the corresponding export license available to us.

7.3 Imported goods must be delivered with all customs duties paid.

7.4 You must inform us of the customs tariff numbers and/or classification numbers relating to your delivery or provision of service.

## **8 Transfer of Risk, Acceptance, Rights of Ownership**

8.1 Regardless of the agreed pricing, the risk is transferred to us

- a) in the case of delivery without installation or assembly upon receipt at the delivery address specified by us,
- b) in the case of delivery with installation or assembly upon successful completion of our acceptance test. Putting into operation or use do not supersede our declaration of acceptance.

8.2 In the case of delivery of goods with reservation of rights of ownership, you hereby agree to reselling in the context of proper business operations. Ownership is transferred to us upon payment of the full fee at the latest.

## 9 Obligation to Inspect and to Notify about Defects, Inspection Expenses

9.1 We shall inform you immediately about any obvious defects in the delivery or service provided, as soon as they are detected depending on the nature of a standard business procedure. In the case of defects that we notify within a period of 4 weeks, you hereby waive the objection of a late notice of defect.

9.2 If a general inspection that extends above and beyond the usual scope of incoming inspection and testing becomes necessary due to a faulty delivery, you shall bear the costs incurred on our part due to such an inspection.

## 10 Warranty for Defects Regarding Quality and Title

10.1 Any faulty deliveries must be replaced immediately by faultless deliveries and/or faulty services must be repeated without any defects. In the event of development or design errors, we are entitled to immediately assert the rights provided under Point 10.4.

10.2 Any remedial work on faulty deliveries or services provided requires our consent.

10.3 In urgent cases (in particular in the case of risks to operational safety or to prevent extraordinarily high damages), in order to eliminate minor defects and in the event of your delay in the elimination of a defect, we shall be entitled after prior notification to eliminate the defect and any possible damage incurred as a result of the defect ourselves at your expense, or to have them eliminated by a third party. This applies even if you deliver or provide the respective service late and we are therefore obliged to eliminate any defects immediately in order to avoid our own delivery delay.

10.4 If you fail to eliminate the defect even within a subsequent period set for you, it shall remain at our discretion whether we cancel the contract or reduce the remuneration, and in addition demand any respective compensation for damages. This applies also in the case when only parts of an overall delivery are defective.

10.5 Any delivered goods and any intellectual property rights must be exempt from any rights of third parties. Upon delivery of any software programs and intellectual property rights, you are liable for ensuring that it is possible for us to market the goods or to use the intellectual property rights free of charge without infringing any rights of third parties.

10.6 Unless agreed otherwise, the warranty period for defects is 24 months as from the transfer of risk in accordance with Point 8.1. The progress of the warranty period is suspended for the period from the dispatch of our notification of defect(s) until the acceptance of the faultless delivery or provision of service by us. For a remedied or repeated part of the delivery or provision of service, or a part delivered as a replacement, the period stated in Clause 1 restarts upon the acceptance of the faultless delivery or provision of service.

10.7 Moreover, our legal rights remain unaffected.

10.8 Insofar as the delivered goods include counterfeit parts, we are entitled to retain them, to report the incident to the responsible authorities and to hand over the counterfeit parts to them, without us deriving any rights and/or claims from this process. The same applies when there is merely a justified suspicion of

counterfeiting and the parts are therefore to be assessed as suspicious. In this case, you are obliged to supply us with replacement goods immediately. You must bear all costs incurred in this way.

Moreover, you are obliged to compensate us for all damages that are incurred by us due to your delivery of counterfeit parts.

## **11 Repeated Impairments of Performance**

If you make essentially the same or identical deliveries or provide essentially the same or identical services that are faulty or late again despite a written warning, we shall be entitled to withdraw from the contract, including from such deliveries and services that you are obliged to make/perform for us in the future on the basis of this or a different contractual relationship with us.

## **12 Exemption in the Event of Defects Regarding Quality and Title**

You hereby exempt us from any claims that third parties may assert against us regardless of the legal basis – due to a defect regarding quality and title or any other fault in a project delivered by you or a service provided to us and shall refund us the necessary costs for our corresponding litigation.

## **13 Intellectual Property**

13.1 Any technical documents, tools, factory standard sheets, production equipment, and other customer-supplied equipment provided by us shall remain our property, as well as all related copyrights, patents, and property rights provided to you, and any other intellectual property rights. Any such property, including all possibly produced duplicates, must be returned to us unrequested immediately after execution of the order; you are therefore not authorized to assert any right of retention. You may use the stated objects only for the purpose of performing the order. Any cession or other granting of access to unauthorized third parties is prohibited without our written consent. The copying or duplication of the stated objects is permissible only insofar as it is necessary for the execution of the order.

13.2 In any case of development and/or design services being subject to this order, all related Intellectual and/or Industrial Property Rights generated and inherent thereto shall solely vest in ZÖLLNER

## **14 Provision of Materials, Tools, and Equipment**

14.1 The processing of substances and the assembly of parts are carried out on our behalf. We shall become coowners of any products produced by the use of our substances and parts in the ratio of the value of the customer-supplied equipment to the value of the final product, which is granted by you to us to this extent free of charge.

14.2 If the substances or parts provided by us are mixed inseparably with other objects that do not belong to us, then we shall acquire co-ownership of the newly produced product in the ratio of the value of the provision to the total value of the mixed objects at the time of mixing. If the mixing is carried out in such a way that your

delivery object may be regarded as the main item, then it is hereby agreed that you shall transfer to us co-ownership on a pro-rata basis.

14.3 Insofar as you produce tools or production equipment at our expense, the production is deemed to be carried out on our behalf with the result that we shall acquire the ownership of the respective object.

14.4 You are obliged to use the tools provided by us or produced for us exclusively for the manufacture of the deliveries and services ordered by us. Moreover, you are obliged to insure the tools belonging to us at their new value and at your own expense against fire damage, water damage, theft, and other damage (e.g. by employees). You must arrange for any possibly necessary maintenance and inspection work to be performed on time at your own expense. You must inform us about any possible malfunctions immediately.

14.5 You must return any transferred tools to us at our first request, and at the latest upon termination of the business relationship.

## 15 Confidentiality

15.1 You are obliged to treat any information that you receive from us in relation to this order with confidentiality, unless you prove to us that this information was already known to you or was made accessible subsequently by an authorized third party without an obligation to maintain confidentiality or that such information was generally accessible or subsequently became generally accessible without any responsibility on your part.

15.2 Any manufacture for third parties and any showcasing of products produced specially for us, in particular according to our drawings or production specifications, or of publications relating to the ordered deliveries and services, and any reference to this order in relation to third parties require our prior written consent.

## 16 Anti-Corruption Policy and Ethics - Explanations and Assurances

16.1 You are aware that we are obliged to comply with the anti-corruption laws that are relevant for the contractual parties – this refers, among others but not exclusively, to the US Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act of 2010, the currently applicable directives and regulations of the EU and also the German Criminal Code (Strafgesetzbuch). In light of the clause above, you hereby declare that you do not use any money or other forms of remuneration that you receive from us or in other ways for illegal purposes, including purposes that represent an infringement of the anti-corruption laws, such as the execution or initiation of direct or indirect payments or other services and procurements of benefits to civil servants or state officials, in order to ensure that you yourself or a person acting on your behalf receives support from such parties with the aim of concluding business agreements or maintaining business relationships or gaining favor for you in terms of business opportunities or gaining impermissible advantages.

16.2 You hereby declare that (i) the affiliated members of your company, authorized representatives, owners, and employees are not civil servants or state officials, and that you do not currently employ nor will employ in future nor will remunerate in any other way or offer remuneration to any civil servants or state officials, nor will you submit or arrange to submit any direct or indirect offers to civil servants and state officials and/or will you execute or arrange to execute any payments to such parties, in order to influence or bring about decisions about the procurement of your own unjustified advantages. (ii) you shall not employ any subcontractors,

advisers, agents, or representatives in relation to the sales activity based on these General Terms and Conditions without a thorough and documented inspection of such persons, both natural and legal, and their reputation and integrity (“due diligence”), and (iii) you shall not employ any subcontractors, advisers, agents, or representatives who do not comply with the relevant anti-corruption laws. You hereby undertake that you will inform us immediately if you become aware of such an infringement.

16.3 Insofar as we have already placed an order and subsequently discover during the realization of the order that it infringes against Point(s) 16.1 and/or 16.2, we shall be entitled to withdraw with immediate effect from such order without the possibility of any rights and/or claims being derived against us as a result.

16.4 You hereby undertake that you will perform your service without any discrimination in the meaning of the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) of 14 August 2006 (BGBl. I p. 1897) and in general harmony with our principles regarding ethics and business conduct. You may request these principles from us at any time.

## **17 German Minimum Wage Act (Mindestlohngesetz)**

17.1 Insofar as you employ employees who fall under the auspices of the law governing a general minimum wage (German Minimum Wage Act – Mindestlohngesetz, MiLoG) of the 11 August 2014 (BGBl. I p. 1348), you hereby declare that you have paid these employees the minimum wage due in accordance with the MiLoG in full in the past, are paying such a wage in full at present, and will continue to pay such a wage in full in the future. If this is not the case, you hereby declare that you will immediately seek an appropriate remedy with regard to your employees.

17.2 You shall oblige your subcontractors accordingly, insofar as they fall under the range of application of the MiLoG.

17.3 You hereby exempt us from any claims that result from any possible infringement of the above-mentioned obligations committed by you, regardless of whether such claims have a civil-code or penal-code nature.

17.4 Insofar as we may hold claims against you on the basis of the previous exemption, we shall be entitled to retain any fee receivables to which you are entitled from us, regardless of the respective business relationship from which they arise, in the corresponding amount of the exemption claims and/or to offset them with such claims.

## **18 Personal Data**

When processing personal data during the course of contract fulfilment the requirements of applicable data protection laws must be adhered to. Regarding the processing of personal data you agree to negotiate and enter into additional and legally required contracts with ZÖLLNER- i.e. as required by the German Federal Data Protection Act (Bundesdatenschutzgesetz) or EU - General Data Protection Regulation (GDPR).

## 19 Conflict Commodities

19.1 You are obliged to ensure the compliance of your delivery and provision of service, regarding the use of so-called "conflict commodities", in particular with the requirements of Sec. 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) respectively the EU-Regulation 2017/821. This shall apply even insofar as you yourself are not regarded as a direct "obligated party" in the meaning of the Dodd-Frank Act or as a Union importer in the sense of the EU-Regulation. For the purposes of these Terms and Conditions and in light of the legal provisions, the term "conflict commodity" currently refers to tantalum, tin, gold, and wolframite.

19.2 Insofar as the delivery and/or service, and/or products provided by you to us contains quantities of one or several conflict commodities in the meaning of these regulations, you hereby declare that you will carry out a traceable inspection of the country of origin of the conflict commodities contained in your delivery and/or your service, and/or your product to the best of your knowledge and in good faith in accordance with the pertinent provisions of these regulations, and that you will obtain correspondingly traceable proofs of this in your supply chain. We are entitled to request to a reasonable extent any information about your respective process and the above-mentioned proofs from you, and also to forward such information and proofs as required in order to fulfill our own obligations to our consumers and customers.

## 20 Liability

20.1 We are liable in the context of the legal relationship founded by our order and your acceptance only for willful intent and gross negligence. In the event of a culpable infringement of essential contractual obligations (so-called "cardinal obligations"), we shall also be liable for slight negligence. "Essential contractual obligations" refers to such obligations where fulfillment is critical to make the proper execution of the contract possible at all and where the contractual partner regularly relies and is entitled to rely on compliance.

20.2 In the event of negligent actions, our obligation to pay compensation of damages shall be limited to damages that are foreseeable at the time of signing the contract and that may typically occur, but maximally in the amount of 100% of the value to this contract.

20.3 The above-mentioned liability restrictions do not apply to injuries to life and limb or health, nor to any liability in accordance with the German Product Liability Act (Produkthaftungsgesetz).

20.4 Insofar as our liability is excluded or restricted, this also applies to the personal liability of our employees, workers, personnel, representatives, vicarious agents, and assistants.

20.5 You are liable according to the existing legal provisions.

## 21 Force majeure / changed circumstances

21.1 In the event of force majeure, the periods agreed in the purchase contract or these general terms and conditions of purchase should rest for the duration of the obstacle and to the extent of its effect. In this case, you are obliged to inform us immediately in writing of the circumstances and expected duration of the obstacle, even in the event that force majeure affects your subcontractor. In particular, events such as



lockouts, delays in delivery of subcontractors that are not attributable to force majeure, bankruptcy or a lack of labor and / or material are not considered to be force majeure. Cases of force majeure include events such as earthquakes, floods, large-scale fires and war.

21.2 You declare that you are aware of the existence of the coronavirus epidemic, also known as SARS-CoV-2, which causes the COVID-19 disease. You are also aware of the related emergency measures, other measures, regulations, administrative acts, interventions by public authorities of Germany or public authorities from other countries and the fact that these emergency measures may result in a number of direct and indirect effects on the economic and / or political Situation, in the future in particular effects on supply chains (e.g. delivery deficiencies by subcontractors), labor and material shortages, lack of financial liquidity or other impacts. ("Coronavirus Impacts"). Therefore, the Coronavirus Impacts are not considered to be unpredictable and the due dates, prices and other conditions of the purchase contract have already been agreed taking these Coronavirus Impacts into account. You are not entitled to request a change to the provisions of these general terms and conditions of purchase or to rely solely on the provisions of force majeure under Article 21.1 of this agreement if the effects of the corona virus are concerned. The same applies to future, similar pandemics.

21.3 You bear the risk of changed circumstances after the conclusion of the purchase contract.

## **22 Jurisdiction, Law**

22.1 Insofar as you are a registered trader, the jurisdiction is at our discretion exclusively Kiel, or may be your residence/registered office.

22.2 This contract is subject to the law of the Federal Republic of Germany, excluding the law on the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG).

22.3 In the event that any provision of these terms and conditions are or become invalid, this shall not affect the ineffectiveness of the other provisions