

§ 1 Scope of application – Exclusion of other terms and conditions

- (1) These General Conditions of Purchase apply to all contracts for the supply of goods and related services concluded with PAATZ Viernau GmbH (referred to below as “PAATZ”). The contracting parties are hereinafter referred to as “Contractors”. In the text below, the expression “*Delivery Object*” relates to the entire scope of goods and services as agreed.
- (2) Only these General Conditions of Purchase shall apply. They shall also be applicable, in their respectively valid version, to all future transactions with a Contractor, even if not expressly agreed upon anew.
- (3) PAATZ will not accept any conflicting or deviating terms and conditions of the Contractor unless PAATZ has explicitly agreed to the application thereof in writing. Acceptance is not deemed to exist even if PAATZ, in the knowledge of conflicting or deviating terms and conditions of the Contractor, accepts the goods or services without any reservation. Likewise, any conditions of the Contractor that were possibly agreed earlier and conflict with or deviate from these General Conditions of Purchase shall not be recognized any longer.

§ 2 Binding nature of the purchase order – Mandatory details in the correspondence

- (1) If the Contractor fails to accept a purchase order within ten working days of receipt, the purchase order shall expire without any further declaration by PAATZ.
- (2) For a clear assignment, all correspondence must contain the order, request, enquiry and supplier number specified by PAATZ, as well as the contact details.

§ 3 Labelling – Documents – Packagin

- (1) The Contractor must label and send the Delivery Object in accordance with the relevant provisions of the countries of origin as well as the transit and destination countries.
- (2) All deliveries must be accompanied by two copies of the delivery note, one of which shall be marked as a copy. The delivery note must include the order, item and supplier number previously communicated by PAATZ. The Contractor shall be liable for the consequences of an incorrect waybill declaration.
- (3) Insofar as certificates on material tests, test records or other documentation are agreed, they form a substantial part of the delivery and must be sent to PAATZ separately from the invoices. The documentation shall be sent separately from the Delivery Object, whenever possible, and shall be packed separately in all cases.
- (4) With respect to the packaging of the Delivery Object, the Contractor must comply with the applicable statutory regulations, e.g. the “Gesetz über das Inverkehrbringen, die Rücknahme und die hochwertige Verwertung von Verpackungen” [German law on packaging], as well as the PAATZ Packaging Directive in the currently valid version. The Delivery Object must be packed in the most environmentally friendly manner possible. The packaging must be done in such a way that the possibility of transport damage is largely ruled out.
- (5) PAATZ shall be entitled to return packaging to the Contractor at the expense and risk of the Contractor.

§ 4 Confidentiality – Reservation of ownership rights and copyright

- (1) In the context of their business relationship, the Parties disclose confidential information, in particular such of a commercial or technical nature. “*Confidential Information*” means all information made available in the context of the business relationship, which is marked as confidential or with a similar indication or the confidential nature of which is sufficiently obvious. Obviously subject to secrecy are in particular business secrets, i.e. information which has not, to date, been common knowledge or generally accessible either in its entirety or in its individual details, therefore has an economic value for the respective party, is protected by appropriate measures and the confidentiality thereof is in the legitimate interest of this party.
- (2) The parties shall – even after termination of the business relationship – use Confidential Information solely for fulfilling their respective contractual obligations, ensure protection of Confidential Information by confidentiality measures reasonable under the circumstances and refrain from disclosing Confidential Information to third parties without the prior

consent of the other party. Notwithstanding the foregoing, Confidential Information is allowed to be disclosed to employees and affiliated companies within the meaning of Section 15 Aktiengesetz [AktG, German Stock Corporation Act], insofar as the involvement of such parties is absolutely essential for fulfilling the contract and provided that such parties are bound by corresponding confidentiality obligations.

- (3) The obligations set forth in para. (2) shall not apply insofar as disclosed information is obvious or publicly known.
- (4) Insofar as the parties have already concluded or intend to conclude a separate confidentiality agreement, this shall take precedence over the aforementioned confidentiality regulations.
- (5) PAATZ reserves all ownership rights and the copyright to illustrations, drawings, calculations and other records of all kinds, as well as models and samples (referred to below as "Records").

If the Contractor fails to accept the purchase order within the deadline specified in § 2 para. (1), all Records shall be returned to PAATZ immediately. If a contract is concluded, the Records shall be used solely for the purpose of manufacturing products under the terms of the purchase order and, once such purchase order has been processed, have to be returned to PAATZ without express request and to the exclusion of any right of retention.

Products manufactured in accordance with PAATZ Records must be neither used by the Contractor itself nor offered or supplied to third parties.

§ 5 Price – Terms of payment – Invoicing

- (1) The price stated by PAATZ in the purchase order shall be binding and, unless otherwise agreed in writing between the parties, considered to be DAP (Steinbach-Hallenberg OT Viernau, Incoterms® 2020) or, for cross-border deliveries, DDP (Steinbach-Hallenberg OT Viernau, Incoterms® 2020).
- (2) Unless otherwise agreed, the price shall be paid in Euro. In the absence of any agreement to the contrary, the price includes all services and ancillary services provided by the Contractor (e.g. assembly, installation), as well as all incidental expenses (e.g. for proper packaging, transport including any transport and liability insurance, customs duties). Statutory value-added tax at the valid rate shall be shown on the invoice as a separate item.
- (3) PAATZ shall pay, unless any written agreement to the contrary has been concluded with the Contractor, with a discount of 3 % within 14 calendar days, calculated from the time of delivery – or for the performance of works from the time of acceptance – and receipt of invoice, or net within 30 calendar days of receipt of invoice.

§ 6 Reservation of title

Apart from the simple reservation of title, any ownership rights to the goods delivered by the Contractor, shall be excluded.

§ 7 Arrival time – Advance deliveries – Partial deliveries – Transfer of risk

- (1) The delivery date specified in the purchase order shall be binding for the Contractor. If no delivery date is agreed, the Contractor shall perform within two weeks from the date of the purchase order. The Contractor shall be at liberty to prove the adequacy of a later delivery.
- (2) Adherence to binding delivery dates depends on the receipt of the goods and that of the associated documents at the agreed place of delivery. The timeliness of a delivery of goods that includes erection or assembly, and also of services, depends on the acceptance thereof and the receipt of the associated documents.
- (3) Early deliveries require the express consent of PAATZ. If partial quantities are agreed, the Contractor shall be obliged to communicate to PAATZ the quantity still outstanding at every partial delivery.
- (4) Deliveries must arrive only on working days (Monday to Friday) between 7.00 hrs. and 15.00 hrs.
- (5) Unless otherwise agreed, the risk of accidental loss or destruction of the Delivery Object (referred to below as "Transfer of Risk") shall pass at the time of the Delivery Object being accepted by PAATZ or a person authorized by PAATZ at the place at which the Delivery Object shall be supplied in accordance with the contract.

§ 8 Delay in delivery

- (1) The Contractor must notify PAATZ in writing of any apparent delay in its service, stating the reasons and the anticipated duration of such delay. The same applies if the Contractor recognizes any circumstances that would prevent it from providing its service in the agreed quality. The Contractor may cite causes beyond its control only if it has fulfilled its duty of notification.
- (2) The times for the delivery of goods as set forth in § 7 para. (4) shall be relevant for the determination of the delay.
- (3) In case of a delay in delivery PAATZ shall be entitled – in addition to the statutory entitlements – to demand from the Contractor, from the time of such delay, a contractual penalty of 0.5 % of the total order value (net) per commenced week, the maximum amount being, however, 5 % of the total order value (net).

If PAATZ fails to expressly reserve the right to claim the contractual penalty upon acceptance of the delayed delivery, the incurred contractual penalty can nonetheless be asserted at the time of final payment.

§ 9 Execution of the delivery

- (1) The Contractor will ensure that it is aware, in due time, of all data and circumstances that are relevant to the fulfilment of its contractual obligations, and also the intended use of its deliveries by PAATZ.
- (2) The Contractor warrants that it has obtained clarity on the execution of the services as well as on compliance with the technical and other regulations by examining records prior to submitting an offer. The Contractor must examine records already delivered at this point in time for obvious mistakes, feasibility and, if applicable, execution of preliminary work by third parties and communicate misgivings of any kind in writing stating the reasons.
- (3) Insofar as this is relevant to the Delivery Object, the Contractor must, prior to submitting the offer, examine the local circumstances at the place of delivery and communicate in writing misgivings of any kind stating the reasons. Upon request, PAATZ shall grant the Contractor access to the place of delivery wherever possible.
- (4) If the Contractor is obliged to erect and/or assemble the Delivery Object, it shall bear all the costs associated therewith, such as travel expenses, tool provisioning and accommodation allowances.

§ 10 Changes to the delivery

- (1) If it becomes apparent, once the contract has been concluded, that deviations (technical innovations or improvements in particular) from the originally agreed specification are required or expedient, the Contractor shall notify PAATZ thereof without delay. PAATZ reserves the right to refuse deviations proposed by the Contractor.
- (2) If deviations approved by PAATZ bring about a change in the costs ensuing from the contract performance, both the Contractor and PAATZ shall be entitled to demand an appropriate adjustment to the remuneration due to the Contractor.

§ 11 Applicable regulations – Official approvals

- (1) All deliveries to PAATZ must comply with the latest valid versions of the provisions, regulations, directives and standards applicable at the place of delivery. Moreover, the Contractor shall be obliged to abide by all applicable statutory provisions and regulations, in particular those relating to environmental protection, hazardous goods and accident prevention, and to adhere to the generally recognized safety rules.
- (2) If the Delivery Object has to be accompanied by a Declaration of Conformity with CE-mark or a Declaration of Incorporation in accordance with Directive 2006/42/EC on machinery, a copy of the risk assessment performed according to EU standards must be provided with the Delivery Object. Furthermore, all corresponding provisions in the PAATZ end customer's country, insofar as the Contractor is aware or has to be aware of such country, must be considered and respected, e.g. the requisite EAC certification for deliveries to Russia.
- (3) The Contractor is under an obligation to fulfil all requirements of the applicable national and international customs and foreign trade legislation and to provide all the information that PAATZ requires to comply with national and international

customs and foreign trade legislation on the order confirmation, the invoice and the delivery note. The information required in this respect includes the export list number and/or ECCN number, as well as the customs tariff number and the country of origin.

- (4) The Contractor must enclose the preferential origin within the meaning of Regulation (EU) 952/2013 with each delivery. The long-term supplier's declaration in accordance with Implementing Regulation (EU) No. 2447/2015 must be submitted once per year. Moreover, the Contractor shall be obliged to comply with the relevant export control regulations and to communicate to PAATZ in writing, without request, the export control code of the Delivery Object, specifically in accordance with EU and US law, at or before the time of delivery.

§ 12 Supplies provided by the Contractor – Tools

- (1) The Contractor must inspect supplies to be provided by the Contractor for freedom from defects prior to such supplies being combined, intermixed or processed. Any defects discovered shall be reported to PAATZ immediately. In such a case, the combination, intermixture or processing must cease until PAATZ has given further instructions.
- (2) PAATZ shall acquire ownership to the tools used to manufacture the Delivery Object to the extent that PAATZ shares the verified costs of such tools. PAATZ shall acquire (co-)ownership of the tools upon payment.
- (3) The tools that are (co-)owned by PAATZ shall remain on loan to the Contractor, who may use the tools solely to manufacture the Delivery Object. The Contractor shall be authorized to factually or legally dispose over, relocate or permanently render the tools inoperable only following written approval from PAATZ.
- (4) The tools must be marked by the Contractor as (co-)owned by PAATZ and reported in the Contractor's accounts accordingly. The Contractor shall bear the service and repair costs for the tools. The Contractor must insure the tools to the extent agreed or, if no agreement has been made, at least to the replacement value.
- (5) Where a tool is co-owned, PAATZ shall be entitled to acquire the Contractor's co-ownership share at any time. In such a case, PAATZ will reimburse the Contractor with the tool's present value less the co-ownership share of PAATZ.
- (6) The Contractor shall have a right of retention to tools that are (co-)owned by PAATZ only in case of claims that are legally established, undisputed or recognized by PAATZ.

§ 13 Quality assurance – Audits and other checks on the Contractor's premises

- (1) The Contractor will subject its services to a continuous quality assurance procedure in accordance with the quality principles of DIN EN ISO 9001. This must be demonstrated to PAATZ on request. The Contractor shall continuously improve the suitability, appropriateness and effectiveness of its quality management system.
- (2) To avoid jeopardizing existing certifications held by PAATZ, the Contractor shall inform PAATZ in due time of any planned relocation of the production facility for the Delivery Object to a different site. The repeat initial sampling procedure required as a result will be carried out immediately after the relocation.
- (3) Prior to any delivery to PAATZ, the Contractor shall perform an outgoing goods inspection for its service. This procedure must be documented and the documentation must be stored for a minimum period of ten years from the time of delivery. Upon request, the Contractor shall provide PAATZ with records of the outgoing goods inspection in a common file format during the retention period.
- (4) PAATZ shall be entitled to perform quality system audits on the Contractor's premises in accordance with DIN EN ISO 9001 and VDA 6.4 at regular intervals. The Contractor shall provide PAATZ with necessary assistance.

Furthermore, PAATZ shall be entitled at any time, but only after sufficient advance notice, to evaluate the delivery progress and compliance with contractual agreements with respect to the Delivery Object on the Contractor's premises. The Contractor shall also ensure that sub-contractors grant PAATZ the same rights.

- (5) The parties can set out deviating or additional provisions in a separate agreement.

§ 14 Supply guarantee – Spare parts list – Service availability

- (1) Regardless of whether a supply contract continues to exist, the Contractor undertakes to provide PAATZ with adequate quantities of goods under fair market conditions for use as production material or spare parts, at least for a minimum period of ten years from the Contractor's delivery being terminated. This applies regardless of the reason for such delivery being terminated.

The Contractor must ensure that its sub-contractors likewise fulfil this requirement.

- (2) The Contractor shall provide PAATZ, within two weeks of delivery being commenced, with a spare parts list stating the source of supply, exact material designation and re-procurement time. Upon request the Contractor shall update this list in a timely manner.
- (3) If the Delivery Object is produced specifically to meet PAATZ's requirements, PAATZ shall be entitled to request the information according to para. (2) within three weeks of the Contractor completing its construction activity.
- (4) The Contractor must deploy to the place of delivery qualified personnel, as well as wear and spare parts, within 24 hours of a request being made. This also applies to the period mentioned in para. (1). The requirement is that PAATZ initiates the request on a working day (Monday to Friday) between 7.30 hrs. and 16.00 hrs. If a request is made after 16.00 hrs. the time begins at 7.30 hrs. on the next working day.

§ 15 Obligation to request and complain

- (1) PAATZ will report in writing apparent defects in the delivery (transport damage, identity and quantity deviations in particular) as soon as they are identified during the normal course of business, however, no later than ten working days after the delivery arrives at PAATZ.
- (2) PAATZ will report any hidden defects to the Contractor as soon as they are identified. The complaint is deemed to have been reported in due time if it is sent within five working days of discovery of a defect.
- (3) In the absence of any verification to the contrary, the values determined by PAATZ during the incoming goods inspection are definitive for quantities, weights and dimensions.
- (4) The signing of the delivery note does not constitute any acceptance of quantities, weights and dimensions, or contractual conformity of the Delivery Object.

§ 16 Liability for material defects

- (1) The Contractor warrants that the Delivery Object is free of material defects. The Contractor must ensure in particular that at the start of the warranty period, the Delivery Object conforms to the latest recognized rules of engineering, the applicable legal provisions, regulations and guidelines of authorities, professional and trade associations, as well as the agreed technical data.
- (2) The acceptance of the Delivery Object, and also the processing, payment or re-ordering of Delivery Objects not yet identified as deficient does not constitute any approval of the delivery or services or any waiver of rights relating to defects.
- (3) The warranty period is 36 months and starts upon the Transfer of Risk.

If, however, the Delivery Object is incorporated into a PAATZ product, the warranty period shall start on the date of commissioning or, insofar as such is agreed, the acceptance procedure at the premises of PAATZ's end customer, provided that this date is communicated to the Contractor in the purchase order.

If the Transfer of Risk and/or the commissioning procedure or the agreed acceptance on the end customer's premises is postponed for reasons attributable to the Contractor, the start of the warranty period shall be postponed accordingly.

- (4) If a material defect becomes apparent within six months of the Transfer of Risk, it will be assumed that this existed at the time of Transfer of Risk, unless such assumption is inconsistent with the nature of the item or defect.

- (5) The warranty period cannot expire during the period between notice of defect and faultless use of the Delivery Object. The faultless use of the Delivery Object must be confirmed to the Contractor immediately after the defect has been rectified. For repaired or replaced parts the warranty period starts anew from the time of faultless use of the Delivery Object.
- (6) The Contractor shall indemnify PAATZ on first demand against all claims asserted by third parties against PAATZ – regardless of the legal basis – on account of a material defect caused by the Contractor or other deficiency in the goods or services provided by the Contractor.

As part of such indemnification, the Contractor shall bear all costs incurred by PAATZ in connection with third party claims, including the costs of prosecution.

- (7) The Contractor shall ensure the traceability of the Delivery Object. In case of a material defect being identified, traceability to the reported goods or services must be possible in order to determine the remaining warranty period and be able to identify the deficient part of the Delivery Object. If traceability is not possible, the Contractor must remedy any disadvantage sustained by PAATZ as a result. If the remaining warranty period for the deficient part of the Delivery Object cannot be determined due to lack of traceability, the Contractor shall not be allowed to object under the statute of limitation unless it can demonstrate that the warranty period has most definitely expired.

§ 17 Liability for defects of title

- (1) The Contractor warrants that all goods and services are free of third party rights and, in particular, that no patents, licenses or other third party industrial property rights are infringed by the delivery, use, processing or resale of the Delivery Object.
- (2) § 16 para. (3) applies to the warranty period and the start thereof.
- (3) § 16 para. (6) applies mutatis mutandis.
- (4) PAATZ shall only be entitled to acknowledge third party claims and/or to reach agreements concerning such claims with third parties with the Contractor's written consent.

§ 18 Product liability – Recall

- (1) If claims are asserted against PAATZ due to a product defect, the Contractor shall indemnify PAATZ on first request against all third party claims, if and insofar as the cause lies within the Contractor's area of control or organisation.

As part of such indemnification, the Contractor shall bear all costs incurred by PAATZ in connection with third party claims, including the costs of prosecution.

- (2) As part of the liability in accordance with para. (1), the Contractor shall also be obliged to reimburse any expenditure incurred in connection with a recall campaign. PAATZ shall, to the extent possible and reasonable, inform the Contractor about the content and scope of the recall campaign and request a statement in response from the Contractor. Other statutory claims remain unaffected.
- (3) § 16 para. (7) applies mutatis mutandis.

§ 19 Insurance cover

- (1) The Contractor must demonstrate to PAATZ upon request, which can be made at any time, public, product and environmental liability insurance cover, as well as recall insurance cover for a minimum amount of € 5,000,000 per personal injury and property damage event and financial loss cover for a minimum amount of € 1,000,000.
- (2) The insurance cover must be maintained, even after complete fulfilment of the reciprocal contractual obligations, for a period of ten years after the combined or processed Delivery Object is placed on the market by PAATZ, the maximum period, however, being twelve years after delivery.
- (3) The Contractor hereby now assigns to PAATZ any claims ensuing under the product liability insurance, including all ancillary rights. PAATZ hereby now accepts such assignment. Insofar as assignment is prohibited according to the insurance contract, the Contractor shall hereby irrevocably instruct the insurance company to make any payments only to PAATZ.

- (4) Further statutory claims asserted by PAATZ remain unaffected.

§ 20 Rights to the Delivery Object

- (1) The Contractor shall grant to PAATZ a non-exclusive, irrevocable and transferable right, without any restriction on time, location or content, to use the Delivery Object. PAATZ is entitled in particular to integrate the Delivery Object or parts thereof into other products, sell such items, either integrated or non-integrated, all over the world and, where required by the contract concluded with PAATZ's end customer, process or transform such items and to sell the results thereof as stated above.
- (2) Insofar as the Delivery Object or parts thereof are developed, modified or produced in accordance with specifications, requirements or instructions of PAATZ (referred to below as "*Developments*"), the Contractor shall grant to PAATZ an exclusive, irrevocable and transferrable right of use, without any restriction on time, location or content, for all known and unknown types of use. PAATZ shall be entitled in particular to reproduce, distribute, make available to the public and make accessible the Delivery Object or parts thereof as desired. This also includes the right to process, transform or develop the Delivery Object or parts thereof as desired, and to use the results thereof as stated above.
- (3) In the case of software developed for PAATZ, the right to use refers to the object format and source format. The Contractor is under an obligation to deliver this software also in the source format. With the source format, the Contractor must also provide an explanation of the source format that permits, after an appropriate familiarisation period, an understanding of the software such that the software can be transformed or modified without questions being directed at the Contractor.
- (4) PAATZ shall be entitled to sub-license the rights to use granted in paras. (1) and (2).
- (5) Developments must be treated as confidential and must neither be used by the Contractor itself nor offered or supplied to third parties without PAATZ's written consent.
- (6) Insofar as Developments are patentable, the Contractor hereby irrevocably consents to PAATZ applying for industrial property rights at home and abroad, and hereby assigns all rights to and from these Developments to PAATZ, in particular its entitlement to a patent or utility model, being requested and granted at home and abroad. The Contractor will provide PAATZ, at its own expense and within a reasonable period, with all information, documents and explanations required by PAATZ for the application and maintenance of such industrial property rights as well as any possible associated judicial or extrajudicial disputes. The Contractor will, at its own expense, make all the necessary arrangements vis-à-vis its employees and other parties involved in the Development in order to facilitate this transfer of rights, in particular to effectively use Developments of its employees in accordance with the provisions of the applicable laws on employees' inventions.
- (7) The consideration for the aforementioned granting and/or transfer of rights is included in the agreed remuneration.

§ 21 Offsetting – Retention

- (1) The Contractor shall only be entitled to offset rights if its counterclaims have been legally established, are undisputed or recognized by PAATZ.
- (2) PAATZ shall be entitled to offset the Contractor's claims with claims to which a company affiliated with PAATZ – as defined by Section 15 AktG [German Stock Corporation Act] – is entitled. PAATZ shall also be entitled to offset claims to which the Contractor is entitled against a company affiliated with PAATZ as defined by Section 15 AktG [German Stock Corporation Act].
- (3) The Contractor can exercise rights of retention only if its counterclaims are based on the same contractual relationship.

§ 22 Withdrawal – Termination

- (1) PAATZ shall be entitled, beyond the statutory rights of withdrawal, to withdraw from the contract if a substantial deterioration of the Contractor's financial situation occurs or appears likely and the fulfilment of the delivery obligation vis-à-vis PAATZ is jeopardized thereby. A substantial deterioration in the financial situation is deemed to have occurred particularly

if execution proceedings are carried out against the Contractor, the Contractor is refused an important loan, the Contractor stops payments or an application for insolvency proceedings over its assets is made.

- (2) In the event of contracts for the performance of a continuing obligation, § 22 shall apply on the proviso that a right to extraordinary termination without notice ensues instead of a right of withdrawal.

§ 23 Environment

- (1) For the period during which the service is provided, the Contractor shall make effective and efficient use of the necessary resources (materials, energy and water in particular) and minimize the environmental effects (with respect to waste, waste water, air and noise pollution in particular). This applies also to the logistics and transport services.
- (2) The Contractor is obliged to register the chemical substances contained in the Delivery Object in accordance with the laws applicable to the market concerned (e.g. Regulation (EC) No. 1907/2006, referred to below as "REACH") and to seek any necessary approvals. If a chemical substance is imported within the scope of an applicable law, the Contractor shall assume responsibility for all the aforementioned obligations and the costs associated therewith. The Contractor shall also be obliged to provide PAATZ, immediately on request, with all information about the Delivery Object and its ingredients, even after delivery, and to submit the confirmations required for PAATZ to be able to meet its statutory information obligations (e.g. according to Article 33 REACH) in full and on time.
- (3) If the Delivery Object is or contains a chemical substance, mixture or material, the Contractor shall be obliged to provide PAATZ with "Safety Data Sheets" (see Article 31 REACH). Updates to Safety Data Sheets must be sent to PAATZ immediately and unrequested.
- (4) Moreover, the Contractor warrants to provide only Delivery Objects which comply with the requirements of the "Gesetz über das Inverkehrbringen, die Rücknahme und die umweltverträgliche Entsorgung von Elektro- und Elektronikgeräten" [German law on placing on the market, taking back and environmentally friendly disposal of electrical and electronic equipment] and of Directive 2011/65/EU of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("RoHS Directive").
- (5) The Contractor shall be obliged to ensure compliance with the aforementioned provisions through suitable contractual arrangements with its sub-contractors.

§ 24 Compliance – Social responsibility – Conflict minerals

- (1) PAATZ considers social responsibility towards both employees and society extremely important. PAATZ expects the same from its Contractors. The Contractor and PAATZ therefore commit to complying with the principles and rights adopted by the International Labour Organisation (ILO) in the "Declaration on the Fundamental Principles and Rights at Work", the principles of the UN initiative "Global Compact" and the "Guiding Principles on Business and Human Rights" of the UN.

The following principles are of particular importance:

- Respect for human rights,
- ban on child and forced labour,
- positive and negative freedom of association,
- ban on discrimination with respect to gender, race, ethnic origin, religion or ideology, trade union affiliation, disability, age, sexual identity, nationality, marital status, political views or other locally and legally protected attributes,
- compliance with occupational health and safety requirements,
- safeguarding socially adequate employment conditions,
- remuneration that can ensure a minimum subsistence level, including social and cultural participation,
- protection of indigenous rights,
- prohibition of bribery and extortion,
- compliance with the applicable laws and regulations.

The Contractor will take appropriate measures to uphold these principles within its company.

- (2) The Contractor is under an obligation to hand over the Delivery Object in accordance with the provisions of Regulation (EU) 2017/821 of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. The same applies to the provisions on conflict minerals of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Contractor will implement suitable measures to ensure compliance with the requirements and obligations of the aforementioned rules.
- (3) The Contractor is responsible for ensuring that its sub-contractors also act in accordance with the regulations stated in this § 24.

§ 25 Working on company premises

Persons who carry out work on company premises in order to fulfil the terms of the contract must comply with the provisions of the “PAATZ Arbeitsordnung für Fremdfirmen” [work rules for external companies] in the latest valid version.

§ 26 Severability clause

To the extent, one or more provisions of this agreement are or become void or unenforceable, the remaining provisions shall remain in effect. The parties shall then replace the invalid or unenforceable provision by a valid one coming as close as possible to the economic purpose and effect intended by the parties. The same shall apply in the event of loopholes in this agreement.

§ 27 Applicable law – Place of jurisdiction

- (1) This agreement shall be governed by the laws of the Federal Republic of Germany to the exclusion of its choice of law provisions. The UN Convention on Contracts for the International Sale of Goods shall not apply.
- (2) The place of jurisdiction shall be the competent court for PAATZ’s place of business. However, PAATZ shall be entitled to turn to the courts having jurisdiction over the Contractor’s place of business.