

**1. Exclusive Applicability**

1.1 These Terms and Conditions of Purchase shall apply to all purchases made by the Purchaser APL from the Supplier.

1.2 The Supplier's general terms and conditions of delivery shall not apply to purchases, even if reference is made to them in offers, order confirmations or other documents or if they form part of individual purchase contracts.

1.3 Specially agreed delivery clauses such as FOB, CIF, DDP etc. shall be governed by Incoterms 2020. In the event of contradictions, the provisions of this framework contract shall take precedence.

**2. Offers and Inquiries**

2.1 The Supplier's offers shall in any case be free of charge for the Purchaser, even if they have been submitted at the Purchaser's request.

2.2 Unless the Purchaser's request contains anything to the contrary, the Supplier shall be bound by its offer for 6 weeks from the date of receipt by the Purchaser.

**3. Form of the Orders**

3.1 Orders shall only be binding if they have been placed by the Purchaser in writing by mail, fax or email and on its form. Verbal agreements, additions and changes must be confirmed by the Purchaser in writing, by fax or email in order to be valid.

3.2 The Supplier shall be obliged to consult the Purchaser if it becomes apparent to the Supplier that there is an error or ambiguity in the essential elements of the contract, in particular with regard to quantity, price or deadline. The Supplier shall be responsible for ensuring that it has familiarized itself with all data, circumstances and intended use essential for the fulfillment of the order and that it is aware of its options for obtaining supplies/services from third parties.

**4. Subcontracting**

4.1 The Supplier shall be liable for the parts obtained from its subcontractors under the same conditions as for its own delivery. The Supplier shall endeavor to use subcontractors who have a recognized quality assurance system and who can provide a corresponding declaration in any case.

4.2 If the Supplier intends to have units or components ordered from it, which are usually manufactured in its workshops, manufactured by third parties, the Purchaser's written consent must be obtained in advance and in good time. The same shall apply, in any case, if the Supplier has its registered office in the European Economic Area, but not the subcontractor or its branch or subsidiary providing part of the delivery. The Purchaser's consent shall not affect the Supplier's exclusive responsibility for the entire order.

4.3 The subcontractor must be bound to the same secrecy to which the Supplier has committed itself towards the Purchaser.

**5. Prices**

5.1 The prices agreed in the individual order shall be deemed fixed prices and shall remain unchanged during the entire order processing. The respectively applicable value added tax shall be stated separately.

5.2 In the event of late delivery of requested material certificates or Q documents, the Purchaser reserves the right to extend the agreed payment period accordingly.

5.3 Invoices can only be processed by the Purchaser if the Supplier indicates the Purchaser's order number in the invoice. The Supplier shall be responsible for all consequences arising from non-compliance with this obligation.

5.4 Unless otherwise agreed in writing, the Purchaser shall pay the purchase price within 21 days, calculated from delivery and receipt of invoice, with a 3% discount or net within 30 days after receipt of invoice.

5.5 The Purchaser shall be entitled to set-off and retention rights to the extent provided by law.

5.6 In the event of non-conforming, in particular defective delivery, the Purchaser shall be entitled to withhold payment until proper performance without loss of rebates, discounts or similar payment benefits.

5.7 In the event of advance payments, the Purchaser shall be entitled to demand a directly enforceable bank guarantee. No due date shall occur until receipt thereof by the Purchaser.

**6. Ordering of Materials**

6.1 If the Purchaser provides parts to the Supplier, the Purchaser shall retain title thereto. Processing or transformation by the Supplier shall be carried out for the Purchaser on the Supplier's own account. If the Purchaser's goods subject to retention of title are processed with other items not belonging to it, the Purchaser shall acquire co-ownership of the new item in the ratio of the value of its item to the other processed items at the time of processing; the Supplier shall preserve sole ownership or co-ownership for the Purchaser.

6.2 If the item provided by the Purchaser is inseparably mixed with other items not belonging to the Purchaser, the Purchaser shall acquire co-ownership of the new item in the ratio of the value of the item subject to retention of title to the other mixed items at the time of mixing. If the mixing takes place in such a way that the Supplier's item is to be regarded as the main item, it shall be deemed agreed that the Supplier shall transfer co-ownership to the Purchaser on a pro rata basis; the Supplier shall preserve sole ownership or co-ownership for the Purchaser.

6.3 The Purchaser retains ownership of tools belonging to the Purchaser; the Supplier is obliged to use the tools exclusively for the production of the goods ordered by the Purchaser. The Supplier is obliged to insure the tools belonging to the Purchaser at replacement value against fire, water, vandalism and theft damage at its own expense. It is obliged to carry out any necessary maintenance and inspection work in good time at its own expense. It shall notify the Purchaser immediately of any malfunctions; if it culpably fails to do so, claims for damages shall remain unaffected. At the Purchaser's request, the Supplier shall return the tools to the Purchaser.

**7. Delivery Period and Consequences of Delay**

7.1 The delivery deadline shall be deemed to have been met if the delivery/service has been handed over in accordance with the delivery agreement, i.e.:

- in the case of delivery ex works, if the agreed delivery has been made ready for dispatch and the Purchaser has been notified of this by its expiry,
- in all other cases, if the agreed delivery/service arrives at the place of destination by its expiry.

7.2 Foreseeable delays in delivery shall be notified without delay, stating the reasons,

irrespective of whether the whole or part of the delivery is affected.

7.3 If the agreed delivery deadline is exceeded, the Purchaser reserves the right to assert the statutory claims to which it is entitled without restriction, irrespective of whether the Supplier has given notice of the delay or a contractual penalty has been agreed.

7.4 If the delivery is made after the agreed date, the Supplier shall owe the Purchaser a contractual penalty. This shall amount to 1% of the agreed net sales price for the entire delivery per week after the start of the delay. The contractual penalty shall not exceed 5% of the total sales price. The Purchaser shall be entitled to claim further damages.

7.5 The Supplier may at any time invoke the absence of necessary documents or supplementary objects or individual parts to be supplied by the Purchaser.

**8. Packaging, Transport**

8.1 Unless otherwise instructed by the Purchaser, the goods shall be delivered free domicile. The Supplier shall be liable for proper and professional packaging.

8.2 Packaging, if required, shall be carried out in such a way that the goods are protected against damage and corrosion during transportation and subsequent short-term storage at the Purchaser's premises (i.e. up to a maximum of 60 days). The Supplier shall be liable for damage resulting from improper packaging, failure to follow the Purchaser's instructions for transport, customs clearance, etc.

8.3 If special packaging is agreed (seaworthy or long-time packaging), instructions of the Purchaser shall be followed.

8.4 Packaging costs not included in the price shall be borne by the Purchaser only if they are necessary and have been shown separately in the offer.

8.5 If special care has to be taken during unpacking, the Supplier shall draw the Purchaser's attention to this in good time and, in particular, shall affix a suitable, clearly visible warning on the packaging.

**9. Delivery**

9.1 Prior to delivery, the Supplier shall inspect the goods for qualitative and quantitative conformity with the order; the inspection shall be confirmed by a stamp on the delivery bill. Only material that has been found to be in good condition as a result of the inspection may be delivered.

9.2 Partial deliveries and advance deliveries may not be made without the Purchaser's express consent.

9.3 Each consignment shall be accompanied by a detailed delivery bill (dispatch bill) containing references of the Purchaser, in particular its purchase order number. The Purchaser shall require separate dispatch notes for shipments to different delivery points. Invoices shall be sent to the Purchaser in duplicate by separate mail. Additional costs caused by non-compliance shall be borne by the Supplier.

9.4 All correspondence (letters, delivery bills, invoices, etc.) must contain the Purchaser's purchase order number and order date, article reference with quantity information, and the shipping documents must also contain gross and net weight information. The consignment note shall indicate the point of receipt in accordance with the Purchaser's order.

9.5 Unless otherwise agreed, delivery shall be DDP Incoterms 2020 Dormagen.

9.6 If the Supplier ceases to make payments or if insolvency proceedings are instituted against its assets or if judicial or out-of-court composition proceedings are applied for or if protests against bills of exchange or cheques are lodged against it, the Purchaser shall be entitled to withdraw from the Contract with regard to the unfulfilled part without any claims against the Purchaser being able to be derived therefrom.

**10. Transport Insurance**

10.1 Unless otherwise agreed in writing, transport shall be insured by the Supplier at its own expense. Transport insurance costs of the Supplier shall only be borne by the Purchaser on the basis of express written agreements.

**11. Transfer of Benefits, Ownership and Risk**

11.1 Unless otherwise agreed, the benefits and risks shall pass to the Purchaser upon transfer of ownership of the delivery. The transfer of ownership shall take place upon delivery, i.e. upon arrival at the place of destination. The Supplier shall not be entitled to any rights of retention of title.

11.2 If the required shipping documents for a delivery are not delivered as agreed, the delivery shall be stored at the Supplier's expense and risk until their arrival.

**12. Production Inspection, Supplier's Declaration, Safety Regulations**

12.1 The Purchaser or its representatives shall have the right to inspect and continuously check production or to reject defective parts during production. Inspections or checks by the Purchaser shall not release the Supplier from its exclusive responsibility for all its deliveries/services. During order processing, the Supplier shall be granted permanent access authorization to the manufacturing facilities (including those of subcontractors) during normal business hours.

12.2 If the Purchaser or its customers are charged by a customs authority due to incorrect own declarations of origin or if the Purchaser or its customers suffer any other pecuniary disadvantage as a result and the error is based on an incorrect declaration of origin by the Supplier, the Supplier shall be liable for this.

12.3 Your deliveries and services must comply with statutory provisions, in particular the safety and environmental protection provisions including the Ordinance on Hazardous Substances, the Electrical and Electronic Equipment Act (ElektroG) and the safety recommendations of the competent German technical bodies or associations, e.g. VDE, VDI, DIN. Relevant certificates, test certificates and verifications such as CE shall be supplied free of charge.

12.4 The Supplier shall be obliged to determine and comply with the current status of the guidelines and laws applicable to its components with regard to substance restrictions. It shall be obliged not to use prohibited substances. Substances to be avoided as well as hazardous substances according to applicable laws and guidelines shall be indicated on the specifications by the Supplier. If applicable, the safety data sheets shall already be submitted with the offers and with the respective first delivery with the delivery bill (in German).

12.5 In the case of deliveries and the provision of services, the Supplier shall be solely responsible for compliance with the accident prevention regulations. Any protective devices required according to these regulations as well as any instructions of the manufacturer shall be supplied free of charge.

**13. Acceptance and Warranty**

13.1 The Purchaser reserves the right, if necessary, to inspect the goods at the Supplier's premises prior to delivery.

13.2 If no special agreement has been made, acceptance shall take place at the Purchaser's request after receipt of the delivery at the place of destination.

13.3 The Supplier warrants that the deliveries/services do not have any defects affecting their value or their suitability for the intended use, have the warranted properties, which include the prescribed services and specifications, and comply with the relevant laws, regulations and other provisions. In the case of tubes ordered by the Purchaser, such test procedures shall be carried out as will reliably demonstrate the tightness of the tubes for use in heat exchangers. If during the warranty period it becomes apparent that the deliveries/services or parts thereof do not comply with the aforementioned warranties, the Supplier shall be obliged, at the Purchaser's option, to remedy the defects or have them remedied without undue delay at the Supplier's expense at the place where the object of purchase is located or to deliver to the Purchaser free of charge defect-free replacements there.

13.4 The Supplier warrants that it and its subcontractors shall apply the principles of quality assurance in accordance with the relevant standards ISO 9000 to 9004 when executing the order. The Supplier further warrants that all goods delivered by it and all services rendered by it comply with the state of the art, the relevant legal provisions and the regulations, ordinances and guidelines of authorities, professional associations and trade associations and are suitable for the intended use.

13.5 If the Supplier fails to remedy defects or if there is an urgent case, the Purchaser shall be entitled to remedy the defects itself or have them remedied at the Supplier's expense and risk.

13.6 Section 377 of the German Commercial Code (*Handelsgesetzbuch, HGB*) shall not apply to the contractual relationship between the parties. Defects shall be notified after their detection. The Supplier waives the defense of delayed notice of defects. If certificates, test reports and similar documents are part of the agreed scope of delivery, the information contained therein shall be deemed guaranteed, even if such certificates etc. originate from subcontractors of the Supplier.

13.7 The time limit for claims based on material defects shall be 36 months from delivery at the respective place of destination.

13.8 Materials which are found to be defective during processing by the Purchaser or its customers shall be replaced by the Supplier without delay and free of charge.

13.9 In the event of differences regarding the quality values, an expert opinion shall be obtained. If the Parties cannot agree within three weeks after receipt of the notice of defects on who will perform the expert function, the expert opinion will be prepared by TÜV Rheinland. The Parties undertake to accept the results of the expert appointed by mutual agreement or of TÜV Rheinland. The costs of the expert opinion shall be borne by the Party whose assertions were not confirmed by the expert or TÜV Rheinland.

13.10 In the event of a replacement delivery, the Purchaser shall be provided with a replacement part on loan and free of charge until a faultless replacement part has been delivered ready for operation.

13.11 The warranty for replacement deliveries and repairs shall be the same as for the delivery item itself, whereby the period pursuant to 14.7 for repaired or replaced parts shall start anew from the time of new commissioning.

13.12 The Purchaser reserves the unrestricted right to make statutory claims for material defect.

#### 14. Work at the Facility

14.1 In the event of work at the Purchaser's facility or at construction or assembly sites, the Purchaser's safety instructions and the regulations for external companies shall apply in addition to these Terms and Conditions of Purchase and the respective individual contract. At the Supplier's request, these shall be made available to it and it shall confirm receipt thereof in writing.

#### 15. Drawings, Test Certificates and Operating Instructions

15.1 The approval of working drawings by the Purchaser shall not relieve the Supplier of the responsibility for its delivery.

15.2 The definitive execution plans, test certificates, maintenance and operating instructions as well as spare parts lists for proper maintenance of the delivery shall be handed over to the Purchaser in the required number and language together with the delivery at the latest.

#### 16. Industrial Property Rights and Secrecy

16.1 The property rights to all documents such as plans, drawings, calculations, samples, models, etc., which are handed over to the Supplier before or after the conclusion of the Contract, shall remain with the Purchaser. The Purchaser's production processes are business secrets within the meaning of Section 2 (1) of the German Act on the Protection of Business Secrets (*Gesetz zum Schutz von Geschäftsgeheimnissen, GeschGehG*). The Supplier shall use such documents exclusively for the purpose of executing the order. Without the Purchaser's prior written consent, the Supplier shall not be entitled to manufacture products for third parties on the basis of such documents or to copy such documents or to bring them to the attention of third parties in any manner whatsoever, even beyond the end of the Contract, who have not been directly commissioned by the Supplier to execute the order or parts thereof. The Supplier acknowledges the Purchaser's exclusive copyright to the drawings, designs and models etc. provided to it. Should the Supplier acquire its own copyright on the basis of the Purchaser's own processing of the drawings, designs, models, etc. provided, it hereby grants the Purchaser already now a right of use to this copyright which is unlimited in time, exclusive and free of charge.

16.2 Upon request, all documents including all copies or reproductions shall be returned to the Purchaser without delay. If delivery does not take place, the Supplier shall return the documents to the Purchaser even without being requested to do so.

16.3 Publications for advertising purposes in which the Purchaser is mentioned may only be made with the Purchaser's prior written consent.

#### 17. Infringement of Third-Party Rights

17.1 The Supplier warrants that no third-party rights are infringed in connection with its delivery in Germany and/or abroad, as the Purchaser also delivers the products abroad to its customers.

17.2 If claims are asserted against the Purchaser by a third party in this respect, the Supplier shall be obliged to indemnify the Purchaser against such claims upon first written request; the Purchaser shall not be entitled to make any agreements with the third party - without the Supplier's consent - in particular to conclude a settlement, unless the Supplier is in default with the indemnification.

17.3 The Supplier's obligation to indemnify shall apply to all expenses necessarily incurred by the Purchaser as a result of or in connection with the claim by a third party.

#### 18. Liability

18.1 Claims for damages by the Supplier against the Purchaser, irrespective of the

legal grounds, in particular for breach of obligations arising from the contractual obligation and from liability in tort, shall be excluded unless otherwise provided for in the following.

18.2 shall not apply in case of:

- damages resulting from injury to life, limb or health caused by a breach of duty for which the Purchaser is responsible; and/or
- other damages resulting from an intentional, fraudulent or grossly negligent breach of duty on the part of the Purchaser; and/or

18.3 In the event of a culpable breach of an obligation, the fulfillment of which is a prerequisite for the proper performance of the Contract, the breach of which jeopardizes the achievement of the purpose of the Contract and/or the observance of which the Customer may rely on. In such a case, the Purchaser's liability shall be limited to the amount of the foreseeable direct damage, unless the breach of duty was caused by gross negligence or intent. Claims for loss of profit, saved expenses, from claims for damages by third parties as well as for other indirect and direct consequential damages cannot be demanded in the case of only simple negligence, unless a characteristic feature guaranteed by the Purchaser has the specific purpose of protecting the Supplier against such damages. 18.2 remains unaffected. The Purchaser shall be entitled without restriction to any statutory or contractual claims for damages against the Supplier.

18.4 To the extent that the Supplier is responsible for product damage, it shall also be obliged to indemnify the Purchaser against claims for damages by third parties upon first request to the extent that the cause lies within its sphere of control and organization.

18.5 In this context, the Supplier shall also be obliged to reimburse any expenses arising from or in connection with a recall campaign or the sending of warning notices carried out by the Purchaser. The Purchaser shall inform the Supplier about the content and scope of the recall measures to be carried out - to the extent possible and reasonable - and give the Supplier the opportunity to state its position.

18.6 The Supplier undertakes to maintain a product liability insurance with an insured sum of € 5 million per personal injury/property damage - lump sum - and to prove this by means of suitable documents upon request by the Purchaser; if the Purchaser is entitled to further claims for damages, these shall remain unaffected.

#### 19. Order of Precedence between Contractual Documents

19.1 In the event of contradictions in the individual documents, the following order of precedence shall apply:

1. the Purchase Order
2. the Technical Provisions, such as assembly and safety instructions
3. these Terms and Conditions of Purchase
4. Incoterms 2020

In the event that these Terms and Conditions of Purchase are available in both German and another language, the German version shall prevail in the event of contradictions and ambiguities.

#### 20. Place of Performance, Applicable Law and Jurisdiction

20.1 If the Supplier is a registered merchant or a legal entity under public law or a special fund under public law, the place of jurisdiction shall be the Purchaser's registered office, unless otherwise provided for in 20.2; however, the Purchaser shall also be entitled to sue the Supplier at its registered office.

20.2 If the Supplier has its registered office in a country which is neither a member of the EU nor of EFTA (member states of EFTA are Iceland, Norway, Switzerland and Liechtenstein), 20 (1) shall not apply. Instead, all disputes arising out of or in connection with the respective Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three arbitrators appointed in accordance with the above provision. The place of arbitration shall be Düsseldorf/Germany. The applicable substantive law shall be the law of the Federal Republic of Germany, excluding

- conflict-of-law provisions of private international law as well as
- the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).

The language of the arbitration proceedings shall be German.

20.3 Unless otherwise stated in the order, the Purchaser's registered office shall be the place of performance.

20.4 This contract and its conclusion shall be governed exclusively by the laws of the Federal Republic of Germany, with the exception of the UN Convention on Contracts for the International Sale of Goods.

#### 21. Miscellaneous

21.1 The Supplier declares that it will export the respective purchased items which were obtained or manufactured in compliance with the minimum standards set out in the ILO core labor standard. The Supplier shall in turn oblige its suppliers to comply with the minimum standards laid down in the ILO core labor standard by means of special contractual ancillary conditions. The Supplier shall remunerate the work of its employees at least at the level of the statutory minimum wage. In the event of a violation, the Supplier shall indemnify the Purchaser against liability pursuant to § 13 of the German Minimum Wage Act (*Mindestlohngesetz, MiLoG*).

21.2 The Supplier shall not grant or hold out the prospect of any benefits to the Purchaser's employees.

21.3 Should individual provisions of these General Terms and Conditions of Purchase be or become legally invalid, the validity of the remaining provisions shall not be affected thereby.