

# Standard Terms and Conditions of Purchase

## I. General

These Standard Terms and Conditions of Purchase shall be part of the order. These terms are valid exclusively. Any other additional or different terms shall be deemed objected to by Allweiler GmbH ("we" or "us") without need of further notice of objection, and shall be of no force or effect. Silence upon submission of supplier's conditions shall not be deemed to be acknowledgement. No variation in the delivery schedule, price, quantity, specifications or other provisions of this order, and no new additional or different terms or provisions, will be binding on us unless agreed to in writing and signed by our authorized representative. These terms also are valid for future transactions with the supplier.

## II. Order and Changes

Our order and supplier's order confirmation shall be made in writing. Oral agreements require a written confirmation. The same is valid for any amendment.

The supplier is obliged to accept our orders in writing within 1 week. Acceptance of this order and each of its terms and conditions will be evidenced by the supplier's execution of the acknowledgement copy hereof, or by the supplier's commencement of performance or shipping.

The goods to be supplied ("Goods") will be ordered according to the specifications stated in the order. The supplier must verify that he has the specification available in the version stated in the order and, if necessary, must ask for its provision. Moreover, the supplier must verify whether the Goods, material and design of such meet the requirements of the intended purpose of use.

We can, at any time, make changes or additions in or to drawings, specifications, method of shipment or packing, place of delivery, the construction and design. If any such change causes an increase or decrease in the cost of, or the time required for, performance under the order, supplier shall notify us in writing immediately and an appropriate equitable adjustment will be made to the price and/or time of delivery by written modification of the contract. Supplier's failure to assert a written claim for adjustment within 5 days after supplier's receipt of our change order shall constitute a waiver of such claim.

## III. Delivery

a) Unless otherwise agreed in writing, delivery term shall be DDP, location designated by us, Incoterms 2010 including packaging.

Should the parties agree on a different delivery term, the supplier shall bear the risk up until the delivery of the Goods to the stated place of delivery and all costs arising up to the delivery of the Goods, including duties and taxes.

b) Agreed delivery dates are binding and time is of the essence. Delivery shall only be completed upon complete delivery of the Goods without any defect to the place of delivery. Should Goods be delivered before the date mentioned in the order, we reserve the right to, at our option, send them back to supplier at supplier's cost; store them or have them stored at the supplier's cost and risk until the agreed delivery date.

c) Whenever any actual or potential cause delays or threatens to delay performance of this order, supplier shall immediately notify us in writing, stating the case, expected delay and countermeasures.

In the case supplier does not meet the delivery date, we are entitled to claim a penalty of 1 % of the order value per commenced week, however, a maximum of 10 % of the order value. We are entitled to claim the contractual penalty in addition to fulfilment of the contract. We can claim the penalty at any time even after payment of the price. Claiming the payment of penalties shall be without prejudice to any our further rights and remedies at law or otherwise

d) Every delivery must contain a delivery note. This delivery note must as a minimum show the exact description of the Goods, the delivered amount, the material number as well as our order number.

Such information is also to be shown on all waybills and/or other shipping documents, customs documents as well as other documents specified in the order.

## IV. Quality

The supplier must comply with the acknowledged standards and the then current state of the art technology, the safety regulations and the agreed technical data and specifications. Any change to the Goods or its design, production method, production location or raw material source require our prior written consent. The nature of cooperation on quality is based on either an agreement with the supplier or the targets pursuant to our quality management system. The supplier is obliged to perform the order according to such then current quality guideline.

## V. Price, Invoicing and Payment

a) The price listed in the order is binding and excluding taxes.

b) All invoices must list the exact description of the Goods, the delivered quantity, the material number, our order number, unit purchase price in the currency of the transaction, delivery term, named location, country of origin, the appropriate Harmonized System (HS) tariff code and Export Control Number (ECN) code and the weight of the Goods. Should the supplier neglect this, we shall not be responsible for any delays in processing. Statutory value added tax is to be listed separately.

c) Payments will be made after receipt of the invoice, however, not before receipt of the Goods, pursuant to the conditions stipulated in the order. Unless otherwise agreed by the parties, payment is due within 30 days with 3 % cash discount or within 45 days net. In the case of a notice of defects, the time period for payment only starts after settlement of the claims.

d) The supplier is not entitled to assign receivable amounts owed by us or to have third parties collect them without our prior written consent, which may not unreasonably be withheld.

## VI. Warranty and Product Liability

a) Supplier warrants that the Goods will conform to and comply with the terms of this order, the specifications, applicable law and relevant international standards in the industry, are fit for their intended purpose, are new and free from defects, free from third party rights, whether domestic or foreign, and free from any liens and encumbrances. Such warranties are in addition to any other warranty, express or implied, or service guarantee of supplier.

b) We shall give notice of defects within 15 days upon detection. Section 377 of the German Commercial Code (HGB) shall not apply.

c) The warranty period shall be 36 months from date the Goods (or the product into which the Goods were incorporated) are put into operation or 48 months from delivery of the Goods, whatever occurs earlier. If a defect is rectified or if substitute goods are delivered, the warranty period starts again. We are entitled to the full range of statutory rights in the case of defects. In any case we are entitled, according to our choice, to demand either rectification of the defect or delivery of new goods.

We are entitled to rectify the defect ourselves at the supplier's costs, if supplier shall not rectify the effect within 10 days upon notice of defect, danger is imminent or if, in our opinion, there is a special urgency.

In any event, supplier shall bear the costs and expenses related to the rectification or replacement, including without limitation, the costs for removal and installation, transportation and travel costs to the then current location of the defective part.

The supplier shall be liable for deliveries and for performances of subcontractors and sub-suppliers to the same extent to which he is liable for his own performances.

d) As far as the supplier is responsible for a defect, it is obliged to indemnify, defend and hold us harmless from claims of whatever nature by our customer or other third parties at our first demand.

e) The supplier commits himself to maintain a product liability insurance with an appropriate coverage but no less than Euro 5,000,000.00 (in words: five million Euro) per occurrence and to present this insurance to us upon demand.

#### VII. Certificate of Origin

The supplier will allow the verification of certificates of origin by the customs administration and provide any required information and official certificates. The supplier is obliged to indemnify us for any damage and claim for any authority not accepting the declared origin due to incorrect certification or possibility of verification.

#### VIII. Intellectual Property (IP) Rights

Supplier shall grant us a transferable, unlimited, unrestricted and royalty-free license to use any IP right related to the Goods, any drawing, document, data or other information supplied to us.

Should third parties raise claims due to violations of IP rights or other violations of rights in connection with the production, installation or use of the Goods, the supplier shall indemnify, defend and hold us and our customers harmless from any such claims. Upon request, the supplier must either procure at his own cost for us or for our customers the right of use of the IP rights concerned or replace the Goods or the process in such away, that no IP rights are violated. The supplier commits himself to inform us without delay of any risks of violation that become known and of any alleged cases of violations and to give us the opportunity, to counteract any corresponding claims.

#### IX. Title, Supply of Material Workshop Equipment

a) Title in the Goods shall pass upon delivery. We do not accept any reservation of title.

b) In the case of a down-payment, the supplier shall grant us a right of title in the Goods even while in the production process, in particular in the material and/or components and individual parts necessary for the production, corresponding to the value of the down-payment made.

c) Workshop equipment which is our property, such as tools, models, matrices, templates, samples provided by us to the supplier on loan or otherwise, is to be treated and stored diligently and must be returned to us upon request, latest after execution of the contract, in good order and condition. It may only be used for the fulfilment of the respective contract with us and only be used with our prior written consent for the suppliers own purposes or deliveries to third parties. Even if the supplier for any reason whatsoever has become proprietor of our workshop equipment, we can request its return at any time. Supplier's retention rights are excluded.

d) The supplier is obliged to insure the workshop equipment belonging to us at its replacement value at his own cost against damage caused by fire, water and theft. At the same time, the supplier hereby already now assigns to us any claims for compensation from this insurance; we hereby accept the assignment. The supplier is obliged to execute maintenance and inspection work that might become necessary on our tools as well as any servicing and repair work at his own cost in good time. He must inform us without delay of any breakdown as well as loss, attachment orders or other disturbances. The supplier is liable for loss of, and damage to, the workshop equipment.

e) The tools and workshop equipment must at any time be kept separate and identified as our property.

f) In the case we supply material to the supplier, we keep title in such material. Processing and reshaping by the supplier is done on our behalf. Should reserved title goods be processed or incorporated with other goods not owned by us, we obtain joint ownership of the new goods in the relation of the value of our goods (purchase price plus VAT) compared to the other processed/incorporated goods at the time of processing. Should incorporation be done in a way that the supplier's product has to be regarded as the main object, it shall be deemed to have been agreed that the supplier assigns to us a proportionate joint ownership; the supplier shall keep the sole or joint ownership for us.

g) Manufacture of tools must be effected according to our specifications. Tools manufactured by the supplier must be able to produce items complying to the drawings under the conditions of a series production process.

h) The delivery scope contains, in addition to the tools and the Goods, the complete documentation as is customary in the branch of trade for the tool and/or the Goods, even if this has not been expressly stated in the order, in particular it contains all construction documents for the tool and Goods, a complete set of drawings for the tool/Goods, including detailed drawings, complete component list, a complete set of CAD data in the format stipulated by us as well as service instructions for the tool/Goods.

i) Should the supplier produce tools or other workshop equipment on our behalf and at our costs, these objects shall pass into our sole or joint ownership even during the production process in the relation of the value of the down-payments made by us (purchase price plus VAT). Should it have been agreed that only a part of the costs is taken over, we shall obtain joint ownership corresponding to our share of the costs.

j) Regarding tools in our joint ownership, provision IX c) is valid mutatis mutandis.

#### X. Subcontractors

This order, or any rights thereunder, may not be assigned or hypothecated by supplier, and none of the work which we contemplate being performed by supplier shall be subcontracted, without our prior written consent: and, if and when subcontracting is allowed, supplier shall continue to comply with, and be bound by, all provisions of this order.

**XI. Laws, Trade Compliance, Indemnification**

a) Supplier agrees to indemnify, defend and hold us free and harmless from any and all claims for damages caused to persons or property as a result of defects in the items covered by this order; and from any and all liability, loss or damage arising out of any act or omission of supplier, or its agents or employees, or out of supplier's failure to comply with any applicable laws, or governmental and regulations, or with any of these terms and conditions or the order.

b) Supplier agrees to comply with all applicable laws, ordinances, rules and regulations which may be applicable; and, upon request, supplier shall certify to such compliance.

c) Supplier shall comply with all applicable export and import laws, as well as anti-bribery and anti-corruption laws, including without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, and any applicable domestic anti-corruption laws. In all cases the Supplier must provide an invoice and a packing list, and if applicable duty preferential program declaration or statement.

d) Supplier shall at any time comply with the Colfax Code of Conduct for Business partners available at [www.colfaxcorp.com](http://www.colfaxcorp.com).

e) Pursuant to the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and Form SD associated with Section 13(p) of the Securities Exchange Act of 1934, supplier must comply with the Colfax Conflict Minerals Policy found at <http://ir.colfaxcorp.com/governance>. cfm under the Supply Chain Standards tab and with all expectations and requirements mandated thereunder. The Colfax Conflict Minerals Policy applies, regardless of form and location of ownership, to all our suppliers of materials or products consisting of or containing "conflict minerals" (cassiterite, columbite-tantalite (coltan), gold and wolframite and the following derivatives: tantalum, tin and tungsten). These requirements must also be passed through by supplier to all of its suppliers of materials or products containing conflict minerals within the supplier's supply chain for materials or products purchased by us. Failure to cooperate regarding these requirements could lead us to source from alternative suppliers.

f) Supplier shall avoid the use of environmentally hazardous products and processes and ensures that he does not supply products or use any methods which are a hazard to environment and health.

g) Supplier guarantees to comply with all relevant minimum wage laws, to assume full liability for breaches by supplier, subcontractors, sub-suppliers and agents used and to fully indemnify and hold us harmless from any third party claims resulting from a breach of such laws.

**XII. Non-Disclosure**

The supplier shall hold and maintain Confidential Information in strictest confidence and shall not, without our prior written consent, disclose such Confidential Information to any third party. "Confidential Information" shall include all information relating to us, our affiliated companies and customers' business, technology and/or affairs, including without limitation our workshop equipment, orders, production methods, drawings, models, templates, samples and similar objects, regardless of whether written or verbal information. This shall not apply to information known to the general public or is independently developed by supplier.

Subcontractors, sub-suppliers and employees must be bound in writing to at least equal terms.

The confidentiality obligation shall continue until the respective Confidential Information shall become known to the public.

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**XIII. Place of Performance, Place of Jurisdiction**

a) Unless otherwise stated herein, place of performance is the place of delivery stipulated in the order.

b) Place of exclusive jurisdiction for all disputes resulting from or arising under this contract shall be the competent court in Germany.

c) This contract shall exclusively be governed by German law. The application of the UN Convention on Contracts for the International Sale of Goods is excluded

German Terms & Conditions Revised October 2018



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