

# General Purchase Conditions

## 1. Scope and conclusion of contracts

1.1 These General Purchase Conditions shall apply to goods and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 These General Purchase Conditions only apply to suppliers who are not consumers within the meaning of the Civil Code.

1.3 Purchase orders and their acceptance ("order confirmation") and all agreements between Voith and the Supplier for the purpose of performing the contract shall only be valid if made in writing. Transmission by fax, remote transmission or email meets the requirements for the written form.

1.4 The Supplier undertakes to accept the purchase order by returning the order confirmation within a period of two weeks, failing of which the Customer shall be entitled to cancel the purchase order.

## 2. Delivery, place of performance and the consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. Voith shall be notified immediately of any circumstances which may prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at Voith premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Partial deliveries shall require the consent of Voith.

2.3 In the case of a delay in delivery or performance Voith shall be entitled to demand a contractual penalty of 1% of the value of the supplies or services for each full week by which delivery is delayed but up to a maximum of 10% of the value of the goods or services in the contract. Other rights (termination and claims for damages instead of performance) remain unaffected. Voith shall retain the right to claim damages transferring the amount of the reserved contractual penalties, but in this case Supplier shall retain the right to prove that the losses are significantly lower or no losses at all have been incurred.

2.4 The unconditional acceptance of the delayed delivery of goods or services does not imply that Voith is waiving any rights that Voith may have to contractual penalty of the delayed delivery of goods or services.

## 3. Supply of spare parts

The Supplier shall ensure that spare parts for the item supplied will be available for a minimum of ten years after manufacture of the product series has ceased. The resources and drawings required to produce the spare parts shall also be kept for this period. This retention obligation shall lapse after the end of this period and written agreement by Voith. It is only permitted to refuse this if there is a good reason to do so.

## 4. Prices, transfer of risk and terms of payment

4.1 The price specified in the order shall be binding. The prices are "delivered at place", DAP Incoterms 2010, including packaging. The specified price does not include statutory value-added tax.

4.2 The transfer of risk shall occur on physical receipt of the goods at the Customer or its nominee.

4.3 Invoices are to be sent to the address specified in the purchase order, stating the purchase order number. If the purchase order is missing, invoices cannot be paid and will be returned to the Supplier; Voith shall not be responsible for delays resulting from this. A separate invoice shall be issued for each purchase order. The invoice is to be structured in accordance with the purchase order. Any invoices for down payments and part payments as well as final invoices shall be identified as such. If work has been supplied, worksheets (reports) signed by Voith and the Supplier must be attached to invoices.

4.4 The invoice will be settled net within 30 days after delivery or provision of the service and receipt of the invoice by Voith.

## 5. Acceptance testing

If the Supplier has to perform work, a formal acceptance of it by Voith is required. Voith may choose whether to make the acceptance at the Supplier's plant or at the place of performance. Unconditional payments shall

not constitute acceptance, approval of the items supplied or the waiving of claims for defects.

## 6. Shipping

6.1 Notification of shipment of the goods shall be given at the latest when the deliveries leave the Suppliers' works.

6.2 The Supplier agrees to specify the purchase order number and Voith exact delivery address on all shipping documents and delivery notes. Should the Supplier fail to do this, the Supplier shall be responsible for all the resulting delays.

6.3 Shipments for which Voith is paying all or part of the freight costs shall be transported using the most cost-effective freight rates and in accordance with Voith shipping specifications.

6.4 Applicable shipping instructions are specified in the purchase order.

## 7. Packaging

7.1 The Supplier undertakes to pack the goods that need to be transported in accordance with the purchase order and the applicable specifications so the goods will not be damaged if they are handled in the normal way.

7.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it.

## 8. Notice of defects

Voith shall check incoming deliveries for correct quantities, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. Defects will be reported to the Supplier within a period of five working days of discovery. In this regard, the Supplier waives the argument of receiving delayed notice of defects. Voith reserves the right to carry out more detailed checks on incoming goods.

## 9. Liability for defects

9.1 The Supplier warrants to Voith that the ordered goods or services are free of defects and legal imperfections.

9.2 If Voith informs the Supplier of the intended use and place of use of the goods and/or services to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

9.3 If a defect or imperfection exists, Voith shall be entitled to statutory warranty claims provided in the Civil Code without any reduction.

9.4 In principle, Voith shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as the Supplier has been requested to do so by Voith, Voith shall have the right in these cases and also to avert danger or avoid/limit damage, to carry out the manner of remedy selected by Voith, or to have it carried out by a third party, at the expense of the Supplier. Voith shall have the same right if rectification of defects and/or delivery of a substitute fails or is refused.

9.5 Should removal and installation costs be incurred during rectification work following a defect, the Supplier shall cover these costs together with the transport costs of the replacement item to and from the site in cases where the Supplier had an obligation to install the delivered item as part of the delivery or if the Supplier was responsible for the defect.

9.6 If claims are asserted against Voith by a third party due to the infringement of third-party rights in connection with the Supplier's goods/services, the Supplier shall be obligated to indemnify Voith against these claims at the first written request. The Supplier's obligation to indemnify Voith shall relate to all expenses necessarily incurred by Voith from or in connection with the claims asserted against it by a third party.

9.7 Claims for defects shall become time-barred – except in cases of intention to deceive – in 36 months starting from when the goods were received at the place of performance and/or the work was accepted. The expiration of the deadline to identify defect, does not exclude the entitlements resulting from warranty, if the Supplier cunningly concealed the defect. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

## 10. Software

Voith shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law, including in particular provisions of the Act as of 4 February 1994 on copyrights and related rights (Journal of Laws as of 2016, item 666 – consolidated text with changes). Before the software is shipped or installed on a system of Voith or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programs and shall eliminate any such malware. The additional purchasing conditions for the procurement of software shall also apply. These can be viewed at <http://www.Voith.com>.

## 11. Quality assurance

11.1 The Supplier undertakes to continuously monitor the quality of its goods by using a suitable quality assurance system, e.g. DIN EN ISO 9001 ff or a comparable system, and to conduct the quality checks and inspections specified by Voith or which are otherwise appropriate during and after the manufacture of its goods. The Supplier shall document these inspections and retain this documentation for a period of ten years.

11.2 Voith or a person engaged by Voith has the right to demand proof that the delivery items and the quality assurance system of the Supplier are of the quality specified in the contract and also to satisfy themselves at all times that the quality and/or the way in which the checks and inspections are carried out at the plant of the Supplier or the sub suppliers are adequate and also to undertake acceptances or an audit in the plant of the Supplier or its sub supplier at the Supplier's expense.

11.3 Without being requested to do so, the Supplier shall immediately in the form set out in Section 1.3 inform Voith of changes in the composition of the processed material or design of its goods or services. The changes shall require the written consent of Voith.

11.4 Where the Supplier intends to arrange for goods or services to be provided wholly or mainly by a sub supplier, the Supplier shall inform Voith of this beforehand. In this case, the subcontracting requires the written approval of Voith.

11.5 The quality assurance policy of Voith disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## 12. Marketing products and product liability

12.1 The Supplier undertakes to comply with the legal requirements that apply at its registered office and the place of performance.

12.2 If it supplies products which fall under the scope of application of a European Directive for first-time marketing, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., the Supplier undertakes to comply with the relevant health and safety requirements and processes specified in them and issue the documents provided for in these. In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide Voith with a declaration of incorporation according to Annex II B of the EC Machinery Directive and providing additional data as requested by Voith as well as in addition provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. The Supplier shall at the request of Voith and as chosen by Voith hand over to Voith the risk assessment that the Supplier has produced or allow Voith to inspect this.

12.3 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against Voith pursuant to product liability law, the Supplier shall be obliged to indemnify Voith in this regard against claims for damages by third parties at the first time of request, if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties.

12.4 As part of its liability under Section 12.3, the Supplier is also obliged to reimburse any expenses incurred by Voith from or in connection with a warning issued or recall conducted by Voith. Where possible and reasonable, Voith shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

12.5 The Supplier undertakes to take out product liability insurance with minimum cover of 1,000,000.00 euros per claim. The said insurance shall not prejudice Voith's rights to make more extensive claims for damages.

## 13. Safety at work, environmental protection and conflict minerals

13.1 The Supplier shall ensure that its goods and services satisfy environmental protection, accident prevention and occupational safety regulations that apply at Voith site or the other place of performance with which it is familiar as well as with other safety-related rules so that negative effects on people and the environment are avoided or reduced. The Supplier

will set up a management system for this purpose, e.g. in accordance with DIN EN ISO 14001 or a comparable system. Voith has the right, if required, to demand evidence of the management system operated by the Supplier and to carry out an audit in the Supplier's company.

13.2 The Supplier undertakes to comply with the requirements of the EU regulation on chemicals REACH (EU Regulation No. 1907/2006), in particular registration of the substances. Voith is not obligated to obtain approval for a delivery item provided by the Supplier within the framework of the REACH regulation.

13.3 Furthermore the Supplier undertakes not to supply any delivery items that contain substances specified in Annexes 1 to 9 of the REACH regulation, the Council Decision 2006/507/EC (Stockholm Convention on persistent organic pollutants, EC Regulation 1005/2009 on substances that deplete the ozone layer, the Global Automotive Declarable Substance List (GADSL) and the RoHS Directive (2002/95/EC)) for products in accordance with your field of application. The above applies to current versions of all referred legal acts.

13.4 Should the delivery items contain substances that are on the Candidate List of Substances of Very High Concern (SVHC list) as specified in REACH, the Supplier undertakes to notify this without delay. This shall also apply if substances that have previously not been listed are added to this list while deliveries are being made. Furthermore, the delivery items shall not contain asbestos, biocides or radioactive material.

13.5 Should the delivery items contain substances specified in Sections 13.3 and 13.4, Voith shall be notified of this in writing before the delivery, stating the substance, the identification number (e.g. CAS No.) and a current safety data sheet. The supply of these delivery items requires separate approval by Voith.

13.6 The Supplier undertakes through appropriate measures in its organization and with reference to its own delivery chain to work towards ensuring that the products to be delivered to Voith do not contain conflict minerals as defined by Sections 1502 and 1504 of the Dodd-Frank Act of the United States of America (including but not limited to columbite-tantalite (coltan), tin, wolframite, gold and their derivatives originating from the Democratic Republic of Congo and its neighboring states).

13.7 The Supplier has an obligation to indemnify Voith from all liability in relation to the Supplier's non-compliance with the above regulations and/or to compensate Voith for losses incurred as a result of the Supplier's non-compliance with the regulations or in relation to this.

13.8 Furthermore the Supplier shall observe the relevant rules for the disposal of waste and residual materials and make Voith aware of any product treatment, storage and disposal requirements.

## 14. Reservation of ownership, models, tools and confidentiality

14.1 The Supplier's rights to reserve ownership are not recognized.

14.2 Where Voith provides the Supplier with substances, parts, containers, etc., Voith shall retain ownership of these. The processing or transformation of these parts shall be on behalf of Voith. If the reserved goods are processed with other items that do not belong to Voith, Voith shall acquire joint ownership of the new object in proportion to the value of Voith property in relation to the other processed items at the time of processing.

14.3 Any models and tools which are produced by the Supplier at Voith expense shall become the property of Voith upon payment for them. They shall be treated with care by the Supplier, used exclusively for manufacturing the ordered goods, indicated as property of Voith and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. The Supplier undertakes to carry out in a timely manner any maintenance and servicing work that may be required on the tools and to perform maintenance and repair work at the Supplier's own cost. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of Voith.

14.4 Documents, drawings, plans and sketches and other know-how of Voith, and also any other technical, technological, commercial, enterprise's organizational of Voith information or other information possessing the commercial value, which Voith entrusts to the Supplier for producing the ordered delivery and/or service in whatever form, shall remain the property of Voith. They are trade secrets of Voith and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to Voith upon completion of the goods/services or, if requested by Voith, to destroy them.

## **15. Data protection**

Voith is entitled to collect, processed, store, and disclose the Supplier's personal data, providing this is required for performing the legal transaction or consent has been obtained from the persons concerned. Persons concerned have the right to obtain information on the personal data stored about them and the purpose for which it is being collected and processed. These persons have right to access their personal data and right to correct such data. Any requests for information or the enforcement of further rights on the part of those concerned must always be submitted to Voith and are provided within the framework of national legislation.

## **16. Origin of goods and export controls**

16.1 If requested to do so by Voith, the Supplier undertakes to provide proof of origin that complies with the valid legal requirements on the date on which it is issued. The Supplier shall provide this for Voith free of charge. If long-term supplier declarations are used, the Supplier shall, when the purchase order is accepted, without being prompted to do so inform Voith of changes in the originating status. The actual country of origin shall in every case be stated in the documentation for the transaction, even if there is no eligibility for preferential customs treatment.

16.2 The Supplier has an obligation to instruct Voith about any authorization obligations that may exist if the Supplier's goods are (re-)exported, as required by German, European and US American legislation as well as other applicable export and customs requirements. For this purpose, unless this information is provided in the Supplier's quotation the Supplier shall provide this information in the order confirmation and in every invoice at the relevant items for the goods: the commodity code, the AL No. (export list number) of the current version of the EC Dual Use Regulation or Part I of the export list (Annex "AL" of the German Foreign Trade and Payment Regulation) and the ECCN (Export Control Classification Number) in accordance with US export legislation.

16.3 At the request of Voith, the Supplier shall be obligated to inform Voith in writing of all further foreign trade data related to the goods and its components, as well as inform Voith immediately in writing of all changes to the data specified in Sections 16.1 and 16.2.

16.4 If the above details are not provided or are provided incorrectly, Voith shall, without prejudice to further rights be authorised to rescind the contract in the time period of 30 days since the detection by Voith incorrectness in this extent.

## **17. Cancellation and termination rights**

In addition to Voith's rights at law, Voith is entitled to terminate the agreement with the Supplier with the immediate effect if the Supplier suspends payments and comes under the controlling influence of a competitor of Voith.

## **18. Corporate responsibility, code of conduct and minimum wage**

The Supplier declares its commitment within the scope of its corporate responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labor law and legislation on the maintenance of employees' health, and does not tolerate child or forced labor in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. In this context Voith draws the Supplier's attention to the "VOITH Code of Conduct" that can be consulted at <http://www.Voith.com>. Voith expects the Supplier to agree to comply with the rules and principles contained therein and provide assistance to ensure that these are observed.

18.2 More especially the Supplier undertakes to comply with the laws that apply in each case in respect of the general minimum wage and to impose this obligation to the same extent of its sub suppliers. The Supplier shall furnish proof that the above assurance has been complied with, if requested to do so by Voith. If the above assurance is not adhered to, the Supplier shall indemnify Voith against claims by third parties and undertakes to reimburse fines imposed on Voith in connection with this.

## **19. General provisions**

19.1 Persons who work on Voith premises or on the premises of companies associated with Voith to perform the contract must observe the terms of the respective work rules. Liability for accidents that befall these persons on works premises shall be excluded, unless they have been caused by deliberate or grossly negligent infringement of obligations on the part of our statutory representatives or their vicarious agents.

19.2 The use of inquiries, purchase orders and the associated correspondence for advertising purposes is not permitted. The Supplier shall only be allowed to use the business relationship with Voith or use Voith as a reference with the prior written permission of Voith.

19.3 The Supplier may not assign its claims or rights under a contract with Voith without the express written approval of Voith.

19.4 The contract shall be subject to Polish Law. Parties exclude the application of the U.N. Convention on Contracts (CISG).

19.5 The jurisdiction for both parties has the Polish competent court at Voith registered office. Voith may also take legal action at the Supplier's place of business, if it is in Poland.

19.6 If individual provisions of these Conditions of Purchase are or become invalid in full or in part, this shall not affect the remaining provisions.