

Terms of purchase/delivery

BAUER MAT Slurry Handling Systems



As of April 19, 2022

1. **Scope of the terms of purchase and delivery; Conflicting general terms and conditions**
 - 1.1. These terms of purchase and delivery apply for deliveries and services ("Delivered item" or "Service") provided by the Contractor ("Contractor") to the following BAUER Group companies as Client ("Client"): BAUER AG, BAUER Maschinen GmbH, BAUER MAT Slurry Handling Systems, subsidiary of BAUER Maschinen GmbH, Obermann MAT GmbH, SCHACHTBAU NORDHAUSEN GmbH (Equipment segment), KLEMM Bohrtechnik GmbH; EURODRILL GmbH, Olbersdorfer Guß GmbH and GWE pumpenboese GmbH.
 - 1.2. These terms of purchase/delivery apply exclusively. Without the written approval of the Client, the Contractor's general terms and conditions will only become an integral part of the contract insofar as they do not conflict with the present terms of purchase/delivery. General terms and conditions that contradict one another shall not affect the validity of the established contract. In the event of contradictory terms and conditions, the statutory provisions shall apply.
2. **Orders**
 - 2.1. Orders must be placed in writing and confirmed by the Contractor without undue delay. Verbal orders, amendments or additions to orders are only binding once they are confirmed in writing by the Client. At the latest, orders become binding if the Contractor has not submitted an objection within seven calendar days of receipt.
 - 2.2. The Client retains ownership and intellectual property rights to photocopies, drawings, calculations, raw material and product specifications as well as other documents. Such documents may not be made accessible to third parties without the written consent of the Client and must be used exclusively for performance of the contract between the Contractor and the Client.
 - 2.3. The Client's performance descriptions, drawings, indications of weight, dimensions and consumption, raw material and production specifications are binding and describe the agreed quality.
 - 2.4. Without the prior written consent of the Client, the Contractor may not issue partial orders to subContractors for handling or producing the ordered service.
3. **Confidentiality**

The Contractor undertakes to treat as a trade secret all commercial and technical details that are not public knowledge and of which the Contractor becomes aware during the business relationship. Drawings, models, templates, samples and similar objects may not be handed over or otherwise made accessible to unauthorized third parties. The reproduction of such objects is only permitted within the scope of the operational requirements and the provisions of copyright law. The Contractor must ensure that sub-suppliers commit to the same obligation. The Contractor may only advertise the business connection with prior written consent from the Client. The obligations in Clause 3 lapse after a period of five years, but no earlier than the end of the business relationship between the Contractor and the Client.
4. **Prices; Payment conditions; Invoice details**
 - 4.1. The agreed prices are fixed prices. Prices are listed including packaging and delivery to the delivery address.
 - 4.2. The agreed remuneration is due for payment net within 60 (sixty) days. The payment period begins as soon as the service has been fully performed and the properly issued invoice has been received by the Client. However, if the Client accepts the service before the agreed delivery deadline, the agreed payment period does not begin until the date of the agreed delivery deadline.
- 4.3. The Client only makes payments on the first Wednesday after maturity. No maturity interest is owed. The default interest rate amounts to five percentage points above the basic interest rate for the year. Default is not considered to begin before the aforementioned payment date plus the duration of the internal bank transfer. In all other cases, the statutory regulations concerning payment default shall apply.
- 4.4. Effected payments do not imply an acknowledgment that the service has been performed as per the contract. For down payments, the Client has the right to demand a security from the Contractor for repayment amounting to the down payment plus interest. The security must be an unconditional, irrevocable and directly enforceable guarantee, unlimited in time and payable on first demand, from a bank or credit insurer in the European Union with their general jurisdiction in the Federal Republic of Germany; the guarantee must be subject to the substantive laws of Germany. The guarantee must include an obligation to waive the defense of appeal as well as the right to make a deposit. It must also include an obligation to waive the defense of offset unless the Contractor's counterclaim is uncontested or legally established. The down payment guarantee will be returned when the down payment plus interest has been redeemed in its full amount by crediting towards due payments or when the Contractor has paid back the down payment plus interest in its full amount. The Client is entitled to reject a guarantor proposed by the Contractor for good cause.
5. **Delivery periods and deadlines; Late delivery**
 - 5.1. All agreed delivery deadlines are binding. Compliance with the delivery deadline is determined by receipt of the service at the place of delivery indicated by the Client. The Contractor undertakes to inform the Client without undue delay if it is anticipated that meeting of the agreed delivery deadlines will not be possible. If the Contractor fails to perform the service, fails to do so within the agreed delivery period, or is late in delivery, the Client's rights – particularly the right to withdrawal and compensation for damages – are determined in accordance with the statutory provisions; the regulations in Clause 5.2. remain unaffected by this.
 - 5.2. If the Contractor is late with delivery, the Client may demand a contractual penalty amounting to 0.2% of the total net contract value for each working day that the Contractor is delayed by, up to a maximum of 5% of the total net contract value. The right to assert more extensive damages remains unaffected. If the Client accepts the delayed service, the contractual penalty must be asserted no later than with the final payment.
6. **Right of inspection**

After giving appropriate advance notice, the Client is entitled to inspect the ordered service and its production process in the workshops/premises of the Contractor and its suppliers, and to request information concerning the Contractor's own monitoring activities. The Contractor will provide the necessary equipment, resources and other services required for the inspection free of charge. However, an inspection of this nature does not release the Contractor from the assumed warranty or guarantee obligations and does not deprive the Client of the right to object to defects identified at a later date.
7. **Delivery, accompanying documents, packaging**
 - 7.1. Delivery by the Contractor or by third parties engaged by the Contractor must be carried out in consultation with the Client and only within the Client's opening hours.
 - 7.2. The Contractor must comply with the Client's shipping rules as

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well as ensure proper and careful packaging; environmentally friendly packaging is preferred in this regard. Apart from this, the Contractor must comply with the Client's packaging guidelines in their current valid version. The Contractor must include a waybill/delivery slip with every delivery that clearly indicates

- the Client's order number,
- the exact contents of the delivery/shipment, and
- the matching customs number as well as the weight and dimensions (gross).

8. Goods-related foreign trade data

8.1. In order to fulfill the requirements of customs law and foreign trade law along its future supply chain, the Client requires information concerning the goods delivered by the Contractor pursuant to customs law and export control law. No later than the Client's receipt of the goods, the Contractor must provide the Client with the foreign trade data described below and must also ensure that this data is updated as follows in the event of changes, without undue delay and without requiring special request:

- Every applicable item in the export list in Section I A of the German Foreign Trade Regulations (known as "export list numbers") for goods that are constructed specifically for military purposes, or if relevant, control items from the EU-Dual Use Regulation in its current valid version and, where applicable, for goods that are subject to the regulations of the US Export Administration Regulations (EAR), the export control classification number in accordance with the US List of Dual-Use Items (ECCN);
- The customs tariff number (at least 8 digits) in accordance with the customs tariff of the European Union based on the HS code (harmonized system) and a description of the goods;
- The Contractor will also inform the Client, without being requested to do so, about any additional bans and restrictions on the international carriage of goods that apply for the delivered goods. Restrictions of this nature may result from reservations of re-exportation imposed on the Contractor by the authorities within the scope of the authorizations granted to the Contractor. They may also result from regulations such as embargoes, the law on drug precursors, hazardous goods law or chemicals legislation.
- The country of origin (non-preferential origin) as well as supplier declarations for preferential origin (for goods entitled to preferential treatment) and certificates of origin if requested, at no extra cost for the Client (for goods from third countries).

8.2. At the request of the Client and to a reasonable extent, the Contractor will provide additional information to supplement the foreign trade data provided.

8.3. The Contractor is liable for all expenses and/or damages incurred by the Client due to a violation of the Contractor's obligations described under Clauses 8.1. and 8.2., unless the Contractor is not responsible for this violation.

9. Foreign trade restrictions

9.1. The fulfillment of the contract by the Client shall be subject to the provisional condition that the fulfillment is not prevented by national or international regulations of foreign trade law applicable to the contract particularly EC Dual-Use Regulation, German Foreign Trade Law [Außenwirtschaftsgesetz] and German Foreign Trade Regulations [Außenwirtschaftsverordnung], US Export Control Law, embargoes, import restrictions and/or other sanctions, and particularly for armaments and dual-use goods hereinafter referred to as "Foreign Trade Law". Since Foreign Trade Law is subject to constant amendments and adjustments, it shall be applied to the contract and its execution as amended. The Client may refuse performance of the contract if and to the extent that its

performance is prohibited or impaired under the applicable Foreign Trade Law.

9.2. The Contractor undertakes to inform the Client immediately if or as soon as the Contractor is directly or indirectly owned by more than 50 % or otherwise controlled by one or more persons who are subject to a provision ban or other listing under the applicable Foreign Trade Law.

9.3. If the authorizations or approvals required for the fulfillment of the contract are not issued or revoked by the competent authorities in accordance with the Foreign Trade Law, or if other legal obstacles under Foreign Trade Law permanently prevent the fulfillment of the contract, the Client shall be entitled to withdraw from the contract in full or in part. This shall also apply if such an impediment to performance occurs only after conclusion of the contract. Under the same conditions, the Contractor is entitled to a right of rescission. In the event that only a partial performance is affected by the impediment to performance, the Client can withdraw from the entire contract only if the Contractor has not interest in the acceptance of such partial performance.

10. Hazardous substances

If the ordered services comprise or include hazardous substances, the Contractor must comply with the applicable laws or regulations and provide the relevant certificates to the Client at no extra cost.

11. Transfer of risk

The Contractor bears the risk until the handover of the delivered item at the place of delivery. This applies even if delivery ex works is agreed in the individual case or if the Client intends to arrange for shipping at its own expense. If acceptance has been agreed, the transfer of risk occurs upon acceptance.

12. Reservation of title

The transfer of ownership of the delivered item to the Client must be made unconditionally and regardless of payment of the purchase price, no later than the date of delivery/acceptance of the delivered item. The Client is not restricted from typical use of the delivered item by any reservation of title.

13. Objection to defects; Defect claims

13.1. The statutory provisions apply concerning the Client's rights in the event of material and legal defects, unless stipulated otherwise.

13.2. The Contractor will provide a warranty of quality and manufacture in accordance with the statutory provisions (see Clause 2.3.).

13.3. The Client's inspection obligation is restricted to defects that become evident during incoming goods inspection under external examination, including appraisal of the delivery papers (e.g. transport damages, incorrect delivery or under delivery) or which are detected during quality controls using a random sample method. If acceptance has been agreed upon, no inspection obligation shall apply. Apart from this, it depends to what extent an inspection is feasible given the circumstances of the individual case according to proper business routines. The right to object to defects identified at a later date remains unaffected. The objection (default note) is considered as delivered on time and without undue delay if it is sent within 5 working days upon discovery, or upon delivery for evident defects.

13.4. The Client is entitled to demand, at its own discretion, subsequent performance from the Contractor in the form of rectification of the defect, the delivery of a fault-free item, or manufacture of a new item. The right to compensation for damages remains expressly reserved.

13.5. The Client is entitled to rectify the defect independently and to demand compensation or an appropriate advance from the Contractor for the expenses required in this regard if the Contractor fails to fulfil the obligation of subsequent performance within a reasonable time limit set by the Client, or if the Contractor's

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- subsequent performance has failed or is unreasonable for the Client to accept (e.g. due to particular urgency, endangerment of operational safety or the imminent risk of disproportionate damages). In the latter case, the Client is not required to set a deadline; the Client will inform the Contractor of the circumstances owing to which the subsequent performance is unreasonable without undue delay and in advance where possible.
- 13.6. Subsequent performance also includes dismantling the defective goods and installing them again; the statutory claim to compensation for relevant expenses remains unaffected. The Client's liability for unjustified demands to rectify deficiencies remains unaffected; however, in this context the Client is only liable if it recognized or was grossly negligent in failing to recognize that there was no defect.
- 13.7. At the discretion of the Client, the place of fulfillment for subsequent performance is the contractual place of fulfillment or the place of use for the delivered item.
- 13.8. The statutory time limits apply for the time-barring of defect claims. If the delivered item is fully replaced in the course of subsequent performance, the limitation period is reset. In case of partial replacement or repair, this only applies for the replaced or repaired parts.
- 13.9. For used objects, Clauses 1 to 8 apply accordingly.
14. **Liability; Release**
- 14.1. The Contractor is liable under the statutory regulations, in particular for willful intent and any kind of negligence. Liability cannot be limited in terms of total amount.
- 14.2. The Contractor undertakes to release the Client from third-party damage claims owing to or associated with the performance of activities for which the Contractor or its agents are responsible.
- 14.3. For services that include installation, maintenance and/or work, the Contractor is obligated to observe the relevant applicable regulations during the execution of all work, in particular the regulations of the employer's liability insurance association. The Contractor bears sole responsibility and liability for all damages that are caused by the Contractor or its representatives, agents or assistants.
15. **Product liability**
- 15.1. If the Contractor is responsible for a product damage, the Contractor must release the Client from third-party claims to the extent that the cause lies within the Contractor's sphere of control and organization and the Contractor is also liable in dealings with third parties.
- 15.2. Within the scope of its release obligation, the Contractor must reimburse the Client for all expenses resulting from or in connection with any third-party claims, including recall initiatives carried out by the Client that the Client could reasonably deem to be necessary. The Client will inform the Contractor concerning the subject and extent of the recall initiatives – where possible and reasonable – and give the Contractor the opportunity to provide a statement. More extensive claims remain unaffected.
- 15.3. The Contractor must take out and maintain a product liability insurance policy with a flat-rate coverage total of at least EUR 3 million per case of personal injury/material damage. On request, the Contractor will send the Client a copy of the liability insurance policy.
16. **Provision of materials; Drawings; Samples**
- 16.1. If the Client provides the Contractor with materials for the performance of services, these supplied materials remain the property of the Client. The Contractor is obligated to clearly label the provided material as the Client's property and to store it separately, in particular in such a way as to prevent any mixing/connection with other materials.
- 16.2. The Contractor undertakes only to use the material that is handed over for the intended contractual services. In the event that processing causes the Client to lose ownership, the Contractor hereby transfers any ownership rights arising as a result to the Client.
- 16.3. The Contractor is obliged to notify the Client in writing without undue delay about any seizure that is impending or already executed, and about any other impairment of the Client's rights (indicating the data required for the preservation of the Client's rights).
- 16.4. In case of non-compliance or violation of the above points, the Client has the right to demand compensation for damages from the Contractor. In addition, the Contractor is obliged to secure the material provided by the Client against all typical risks at its own cost. The Contractor hereby agrees, should an insured event occur, to transfer the resulting insurance claims to the Client.
- 16.5. If production materials such as models, samples, tools and similar items were manufactured in whole or in part at the Client's cost, their ownership is transferred to the Client upon manufacture.
- 16.6. Submitted performance descriptions, drawings, models, samples and similar documents remain the property of the Client. Neither these items nor the goods manufactured using them may be handed over to third parties or used for advertising purposes without the written consent of the Client. The Contractor must store them carefully, maintain and repair them to ensure that they are usable at all times. The Client has the right to demand that the Contractor return the items at any time. They must be returned to the Client no later than with delivery of the order. If the Contractor fails to comply with these obligations, the Client is entitled to demand compensation for damages.
17. **Spare parts**
- 17.1. The Contractor undertakes to keep spare parts for the delivered items in stock for a period of at least 12 years after delivery.
- 17.2. If the Contractor intends to cease the production or procurement of spare parts for the delivered items, the Contractor must promptly inform the Client of this circumstance after making the decision of termination. Notwithstanding Clause 1, this notification must be made at least 6 months before the actual termination.
18. **Assignment prohibition; Place of fulfillment**
- 18.1. Without the separate written approval of the Client, the Contractor is not entitled to assign or transfer to third parties, either in whole or in part, the delivery obligation or the payment claim associated with the contractual relationship between the Contractor and the Client.
- 18.2. The place of fulfillment for the service is the place of delivery indicated in the Client's order.
19. **Severability clause**
- Should these terms and conditions be invalid in whole or in part, the rest of the contract remains unaffected. In this case, the statutory regulations apply.
20. **Applicable law; Place of jurisdiction; Other**
- 20.1. The laws of the Federal Republic of Germany apply for the contractual relationship and its entire performance, to the exclusion of German international private law and to the exclusion of the UN Convention on the International Sale of Movable Goods (CISG).
- 20.2. The exclusive place of jurisdiction for all disputes resulting from this contract is the Client's registered office. Nevertheless, the Client is also entitled to file a suit against the Contractor at any other general or specific place of jurisdiction.
- 20.3. If this contract and/or parts thereof were issued in German and another language, the German version takes priority in the event of discrepancies.
21. **General technical requirements**
- The contractual objects must comply with the relevant EC guidelines, specified by harmonized standards or national rules and standards, in particular the requirements of the Product Safety Act

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(Produktsicherheitsgesetz, ProdSG) as well as the accompanying regulations, where applicable. All required declarations (e.g. a declaration of conformity in accordance with Directive 2006/42/EC Annex II [A] or a declaration concerning the installation of incomplete machinery pursuant to Directive 2006/42/EC Annex II [B]) and operating instructions (for machinery pursuant to Directive 2006/42/EC Annex I No. 1.7.4 or installation instructions for incomplete machinery pursuant to Directive 2006/42/EC Annex VI) must be provided in German and, where relevant, all official languages of the European Union together with the contractual objects. In particular, a CE label must be affixed to machinery in accordance with the 9th Regulation of the Product Safety Act.

22. **Company policy and fundamental values**

The Client maintains a certified quality management system in accordance with DIN EN ISO 9001:2015, a tested environment management system and a certified occupational safety management system.

In addition, the Client has introduced a values management system based on the EMB Wertemanagement Bau association introduced in the BAUER Group. The fundamental values and company policies underlying this management system have been published at:

[Link: Quality Policy of the BAUER Group](#)

[Link: Sustainability Policy of the BAUER Group](#)

The Client has also introduced a Supplier Code:

[Link: Supplier Code of the BAUER Group](#)

It is expected that the Contractor will largely observe the values and policies of the Client during contract performance and comply with the Client's Supplier Code.

The Client is entitled, but not obligated, to carry out or arrange an inspection of the Contractor's compliance with the Supplier Code.