

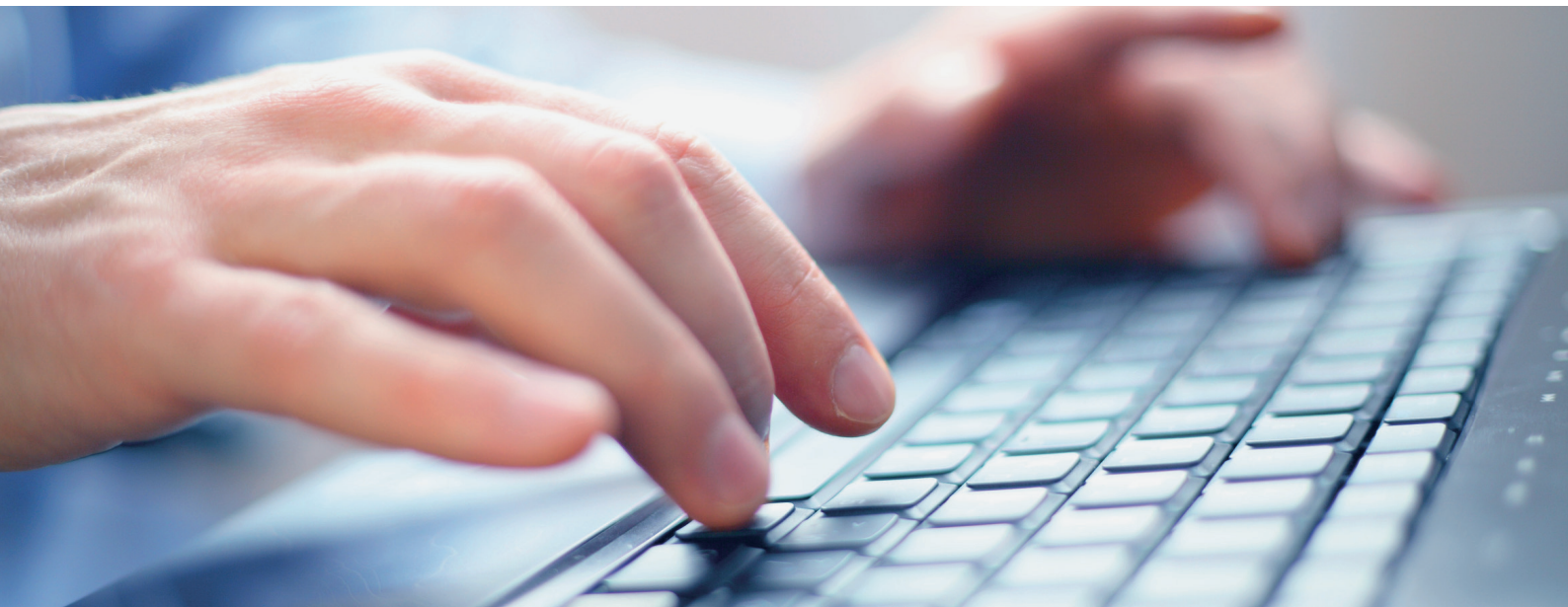
Movement by Perfection



The Royal League in ventilation, control and drive technology

General Terms and Conditions of Purchase

January 2024



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General Terms and Conditions of Purchase of ZIEHL-ABEGG India Pvt Ltd.

§ 1 General - Application

1. These General Terms and Conditions of Purchase ("Terms") shall apply to all orders placed by ZIEHL-ABEGG (hereinafter referred to as "ZIEHL-ABEGG" or the "Purchaser") and shall be an integral part of the purchase contract. The terms and conditions of the Supplier (hereinafter also referred to as the "Supplier" or the "Contractor") which are either to the contrary or diverge from our Terms shall not be recognised by ZIEHL-ABEGG unless ZIEHL-ABEGG has explicitly consented to their application in writing.
These Terms shall likewise apply where the Supplier's delivery is accepted without reservation by ZIEHL-ABEGG in awareness of terms and conditions of the Supplier which are either to the contrary or diverge from our own Terms. In case of any inconsistency between the order and these Terms, the order shall prevail over these Terms.
2. These Terms shall also apply to all future transactions with the Supplier.

§ 2 Orders

1. Orders shall only be valid where placed in writing, by telefax or by e-mail. Every order placed must be confirmed by means of an order confirmation in writing issued by the Supplier except where there is an explicit agreement regarding waiver of the requirement for the confirmation of orders. Where ZIEHL-ABEGG does not receive the above-mentioned confirmation of order within fourteen (14) days from the date of ordering, ZIEHL-ABEGG shall reserve the right to cancel the order without any obligation whatsoever.

Any amendments or additions or alterations to the order shall only be effective if ZIEHL-ABEGG confirms it in writing.

2. ZIEHL-ABEGG shall retain the property rights and copyright to all figures, drawings, calculations and other documents provided by ZIEHL-ABEGG; same shall not be made accessible to third parties without ZIEHL-ABEGG's explicit consent. They shall be solely used for production on the basis of our order; following execution of the order they shall be automatically returned to ZIEHL-ABEGG. They shall be kept secret from third parties. Any right of retention to such documentation shall be excluded in all cases.

3. All quotations submitted by the Supplier as well as all associated activities shall be free of charge for ZIEHL-ABEGG.
4. The Supplier shall be obliged to maintain secrecy as regards all business and trade secrets of ZIEHL-ABEGG, whereby this shall also include all documents made available to the Supplier by ZIEHL-ABEGG, in addition to other information forming the subject of communication. The obligation of secrecy shall also apply following performance of the relevant contract. A corresponding obligation shall be imposed in writing on any sub-suppliers and sub-contractors. Should the Supplier establish that an item of confidential information has been acquired by an unauthorised third party or that a confidential document has been mislaid, he shall immediately notify ZIEHL-ABEGG in writing. The Supplier shall be lastly obliged to likewise treat as confidential conclusion of the contract itself; references may only be named with our prior written consent.
5. ZIEHL-ABEGG shall also be at liberty to request changes and issue Variation Orders to Supplier, and the Supplier shall carry out such Variation Orders. If any Variation Order causes an increase or decrease in the cost of, or the time required for the performance of, any goods, an equitable adjustment shall be made in the purchase price and/or delivery schedule in writing. Any Supplier claim for adjustment under this Clause will be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the Variation Order. Variation Orders requested by the Supplier shall only become effective after written confirmation by ZIEHL-ABEGG.

§ 3 Prices, Shipping, Packaging, International Transport, International Trade Control

1. The agreed prices are fixed prices and shall exclude additional claims of whatever nature. Where prices are not specified in the purchase order, they shall be stated in the order confirmation with binding effect on the Supplier. In this case the contract shall not come into being until ZIEHL-ABEGG has given its written consent to the prices.
2. Said prices shall include the costs of packaging and transport to the forwarding address specified by ZIEHL-ABEGG or the place of use as well as costs incurred for customs and clearing formalities. Delivery shall be effected Delivered Duty Paid (DDP), Incoterms®2010.

3. ZIEHL-ABEGG's order number shall be stated on advices of shipment, bills of lading, invoices and all correspondence with ZIEHL-ABEGG. ZIEHL-ABEGG will only be able to process invoices where – as specified in our order – the order number shown therein is indicated in addition to any other information explicitly mentioned; the Supplier shall be accountable for all consequences ensuing from failure to comply with this obligation unless he is able to prove that he was not responsible in this regard.
4. ZIEHL-ABEGG shall only be obliged to take delivery of the quantities or piece numbers ordered by it for a specific time of delivery. Delivery time as specified in the order is of essence and must be strictly adhered to. Deliveries which exceed or fall short of the specified quantity shall only be permitted where previously agreed with ZIEHL-ABEGG (normally in writing).
5. Shipment shall take place at the Supplier's risk. The risk of any deterioration, including accidental perishing, shall thus remain with the Supplier until delivery to the forwarding address or forwarding office desired by ZIEHL-ABEGG. § 13 No. 3 of these Terms apply with the regard to the place of fulfilment.
6. The Supplier's obligation to take back packaging shall be governed by the statutory provisions. Goods must be properly packaged, marked and shipped in compliance with (i) applicable domestic, national and international regulations; (ii) generally accepted industry standards, (iii) ZIEHL-ABEGG's instructions, if any. Goods must be packaged in such a manner as to avoid any damage in transit. Packaging materials shall only be used to the extent that same are necessary to achieve this purpose. It shall only be permitted to make use of environmentally sustainable packaging and filling materials which do not impair recycling. Hazardous goods must bear prominent warnings in all packaging and documents. The Supplier shall submit details of packing and transportation plan to ZIEHL-ABEGG for confirmation prior to shipment of such goods. Where we are separately charged for packaging by way of exception, ZIEHL-ABEGG shall be entitled to return said packagings carriage paid against reimbursement forming the subject of individual negotiation with the Supplier.
7. Supplier shall prepare all shipping documents in accordance with (i) applicable domestic, national and international trade or customs regulations, (ii) ZIEHL-ABEGG's instructions. Order Numbers shall be stated on all related correspondence and shipping documents. A delivery note must be included with every shipment. The delivery note must contain the following data: (i) the total of the delivery quantity and all data indicated in the order, especially order number, item and the correct unloading point, (ii) Registration No., Goods & Service Tax (GST) Registration No., Government Reference Number (GRN No.) with date, Excise Duty, Gate Pass Number with date and value wherever applicable. The goods delivery must be labelled as follows: (i) Total shipment of all packing units per delivery note; (ii) The part/partial quantity therein (bag, roll, packet, etc.) labelled with quantity and drawing number according to the technical specification. Further information can be found in the „Guidelines for suppliers“ document.
8. Where goods are transported beyond international borders, the Supplier shall be obliged to provide the customs invoice necessary for custom clearance already at delivery. The invoice shall be issued in English or the language of the destination country and must include the following data: name and telephone numbers of ZIEHL-ABEGG's and the Supplier's contact persons who are familiar with the transaction; ZIEHL-ABEGG's order/purchase order number, ZIEHL-ABEGG's invoice items of the purchase order, release code number (with skeleton agreements), individual component numbers and detailed description of goods; purchase price per item stated in the currency applicable to the transaction; quantity; INCOTERM or Incoterms®2010 and designated location, in addition to the country of origin and customs tariff number of the goods. Moreover, all goods provided by the ZIEHL-ABEGG to the Supplier for production of the goods which are not included in the purchase price, must be identified separately on the invoice (e.g. consigned materials, tools, etc.) Every invoice must also include the relevant order number or other references to consigned goods and list all discounts or reductions offered on the basic price which were taken into consideration when determining the invoice value.
9. Where agreements exist between the destination country to which the goods are to be delivered and the country in which the Supplier is based in respect of preferential treatment in terms of commerce or customs duties („trade agreement“), the Supplier shall be obliged to cooperate with the ZIEHL-ABEGG in examining the eligibility of goods for special programmes of benefit to the ZIEHL-ABEGG and to supply ZIEHL-ABEGG with the necessary documentation (such as preferential certificate of origin, or other certificates of origin) in accordance with the relevant preferential customs treatment programme to allow the goods to enter the destination country duty-free or subject to preferential treatment. Likewise, where there exists a trade agreement or preferential customs treatment programme which is applicable to the scope of the purchase order and this is deemed by ZIEHL-ABEGG to be of benefit to himself at any time during its execution, the Supplier shall be obliged to support ZIEHL-ABEGG in its efforts to realise such benefits, including the value of any countertrades ensuing from the purchase order or set-off, and the Supplier shall acknowledge that such benefits and preferential treatment shall solely accrue to ZIEHL-ABEGG. The Supplier shall be obliged to indemnify ZIEHL-ABEGG for any costs, fines, contractual penalties or charges resulting from the Supplier's inaccurate documentation or failure on the part of the



Supplier to cooperate in a timely manner. The Supplier shall be obliged to immediately notify ZIEHL-ABEGG of any errors known to exist in the documentation.

10. International Trade Controls

All transactions within the scope of the delivery relations must always meet the requirements of the respectively valid export control laws and directives. The Supplier is obliged to meet the requirements of the respective valid export control laws and directives even after cancellation and beyond if the obligations within the scope of the business relations are fulfilled or cancelled in another way.

§ 4 Export Control and Customs, Supplier Declarations, Certificates of Origin

1. The Supplier is obliged to inform ZIEHL-ABEGG of any approval obligations for (re-)exports of his goods in accordance with Indian, German; European, US export and Customs regulations as well as the export and customs regulations of the country of origin of his goods in his business documents. In order to do this, the Supplier shall provide the following information at least in his quotes, order confirmations and invoices for the items of goods concerned:
2. - the export list number according to appendix AL (Export List Number) or comparable list items of pertinent export lists,
 - for US goods the ECCN (Export Control Classification Number) in accordance with US Export Administration Regulations (EAR),
 - the trade-political origin of his goods and the components of his goods, including technology and software,
 - whether the goods were transported through the USA, manufactured or stored in the USA or manufactured with the aid of US-American technology,
 - the statistical goods number (HS-code) of his goods and India Harmonised System (HS) Product classification codes, as well as - a contact in his company for clarification of any inquiries by us.

Upon our demand, the Supplier shall be obliged to notify ZIEHL-ABEGG in writing of all other foreign trade data of his goods and their components and to inform us immediately in writing (before delivery of goods affected accordingly by this) about all changes to the above data. In case of any alterations to origin and/or characteristics of the products and/or applicable Foreign Trade Regulations, the Supplier shall update the Export Control and Foreign Trade Data as early as possible prior to the delivery date. The Supplier shall be liable for any expenses and/or damage incurred by the ZIEHL-ABEGG due to the lack of or inaccuracy of said Export Control and Foreign Trade Data.

For all products to be delivered according to these Terms,

the Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations") and shall obtain all necessary export licenses, unless ZIEHL-ABEGG or any party other than the Supplier is required to apply for the export licenses pursuant to the applicable Foreign Trade Regulations. Further, in case of the existence of any export license, the Supplier shall provide a copy of that document ZIEHL-ABEGG, showing all relevant information relating to the delivery, including any provisos, ZIEHL-ABEGG has to comply with, e.g., but not limited to cases of re-exports. Any information or provisos which are compliance obligations of ZIEHL-ABEGG, may be blackened in that copy.

3. Supplier Declarations, Preference

An essential part of the contracts ensuing from these Terms is the obligation to submit long-term delivery declarations for goods with a preferential origin as per applicable law valid at the time of delivery. The Supplier shall also provide certificates of origin as well as any further documents/data according to foreign trade specifications upon demand.

If the long-term delivery declarations turn out to be insufficiently informative or incorrect, the Supplier shall be obliged to provide us with error-free, complete and customer-confirmed information sheets about the origin of the goods upon demand.

4. If we or our customers are charged by a customs authority due to own faulty declarations of origin or if we or our customers suffer any other financial disadvantages as a result and the error is due to an incorrect specification of origin of the Supplier, the Supplier will be fully liable.
5. Supplier shall be responsible for obtaining in time, at his own cost, all necessary governmental export licenses, authorizations, approvals and clearances, required for the delivery to make sure that all goods to be delivered can be used by ZIEHL-ABEGG in accordance with the purchase order and that all deliverables can be made in due time.

§ 5 Reporting Obligations Conflict Minerals

The Supplier undertakes to comply with the respective regulations passed by the Securities and Exchange Commission (SEC) regarding conflict minerals. The Supplier shall find out about the conformity regulations that are defined in the Conflict Minerals Final Rule on the SEC Website under <http://www.sec.gov/rules/final.shtml> or <http://www.sec.gov/news/press/2012/2012-163.htm>.

The Supplier shall implement resulting reporting obligations and measures vis à vis us in a timely manner.

In case of failure to do so or in case of incorrect information, the Supplier shall indemnify us from claims by third parties.

§ 6 Invoicing and Payment

1. The Supplier shall submit invoices in an auditable form, complying with applicable laws, generally accepted accounting principles and the specific requirements of ZIEHL-ABEGG, containing the following minimum information: Supplier name, address and reference person including contact details; invoice date; invoice number; Order number and Supplier number; address of Customer; quantity; specification of Goods; price (total amount invoiced); currency; tax or GST amount; tax or GST Registration Number; Authorized Economic Operator and/or Approved Exporter Authorization number and/or other customs identification number, if applicable; payment terms as agreed. Please send invoices in paperless form with the appropriate documents in pdf format after delivery to the following e-mail address: invoice@ziehl-abegg.in. Alternatively, the invoices should be sent to us in single copy on white paper in DIN A4 format. All invoices must be made out without exception to the following address:
ZIEHL-ABEGG India Pvt Ltd. Plot No. E-8, Chakan Industrial Area, Phase III, Village Kuruli, Tal. Khed, Chakan, Pune- 410 501, Maharashtra, India
Invoices sent by fax will not be processed! Invoices not submitted in due form shall not establish a due date for payment and shall only be deemed to have been received by ZIEHL-ABEGG once submitted in the proper form. The Supplier shall be liable for any additional or consequential costs arising due to incorrect invoicing. ZIEHL-ABEGG reserves the right in the event of premature delivery to effect payment not until the due date agreed for settlement.
2. Payment shall be made by the normal commercial route, either within fourteen (14) calendar days with 3% discount or up to sixty (60) days net, calculated according to delivery/service and receipt of invoice.
3. Insofar as certificates of material tests or other documents are agreed for the scope of supply, these are an essential part of the delivery and must be sent to us together with the invoice at the latest.
4. ZIEHL-ABEGG shall hold a right of set-off and retention for goods/materials not provided in accordance with the contract without prejudice to any other right or remedy it may have in law or otherwise.
5. Payment of an invoice is not evidence or admission that the goods meet the requirement of the order.

§ 7 Delivery Dates, Delay in Delivery, Force Majeure

1. Time is the essence of the contract. The delivery date specified in the order shall be binding.

2. The Supplier is obliged to inform ZIEHL-ABEGG immediately in writing, should circumstances arise or become known to him which results in the Supplier not being able to keep the agreed delivery date; at the same time he must state the probable duration of the delay.
3. In the event of any delay in delivery ZIEHL-ABEGG shall be entitled to purchase the goods ordered or any part thereof from other sources on the Supplier's account, in which case, the Supplier shall be liable to pay ZIEHL-ABEGG not only the difference between the price at which such goods have been actually purchased and the price calculated at the rate set out in the relevant order, but also any other loss or damage ZIEHL-ABEGG may suffer. ZIEHL-ABEGG shall additionally be entitled in the case of default to withdraw from the contract at its discretion, and recover any loss or damage from the Supplier. Any additional costs incurred for express shipment required to comply with delivery dates shall be for the Supplier's account.
4. In the event of delayed delivery without prejudice to the above provision, ZIEHL-ABEGG shall be entitled to liquidated damages amounting to 0.2% of the net total value of the order per working day of delay up to a maximum of 8% of the net total value of the order. ZIEHL-ABEGG may also apply the contractual penalty without making reservation until issue of the final invoice. Any claim to compensation due to non-performance shall be offset against the contractual penalty.
5. Force majeure and industrial disputes shall release us from our obligation of performance for the duration of the disturbance and to the extent of its involvement.
6. ZIEHL-ABEGG is wholly or partly released from the obligation to accept the ordered delivery/performance and accordingly entitled to withdraw from the contract if the delivery/performance is no longer usable under consideration of economic aspects due to the delay caused by force majeure or the industrial dispute.
7. ZIEHL-ABEGG shall only accept partial delivery following explicit written agreement to this effect. In case of agreed partial shipments, the remaining quantity must be listed and the delivery date for the remaining delivery specified.

§ 8 Liability for Defects and Guarantee/Warranty, Dealer Issues

1. The Supplier warrants to ZIEHL-ABEGG that the goods supplied by the Supplier: (i) shall be free from defects which may reduce their value or affect their usability; (ii) shall be in accordance with the conditions stipulated in the order or agreed in writing by ZIEHL-ABEGG; (iii) shall comply with all applicable laws, statutes, and regulations



concerning the manufacture, packaging, sale and delivery of the goods; (iv) shall be new, merchantable quality and fit for the purposes held out by Supplier or made known to the Supplier when the order is placed; (v) shall not infringe any valid patents, trademarks or intellectual property rights of any third party; (vi) shall be in conformity with the generally accepted technical practice, the most recent regulations and the appropriate safety specifications; and (viii) shall be delivered free from any lawful security interest, lien or other encumbrance. The Supplier shall be liable, in accordance with the statutory provisions, for deficiency of title and in quality.

2. The Supplier guarantees that all deliveries/performances conform with the state-of-the-art?, the pertinent statutory provisions and rules and regulations of authorities, liability insurance associations and trade associations. If deviations from these regulations are necessary in individual cases, the Supplier must obtain written consent from ZIEHL-ABEGG.

The responsibility of the supplier for the deliveries/performances shall neither be excluded nor limited by this consent nor by any other approvals or other declarations on our part. Where the Supplier has reservations about the type of execution required by ZIEHL-ABEGG, he shall immediately notify ZIEHL-ABEGG in writing.

3. The Supplier undertakes to make use within his financial and technical means of environmentally friendly products and procedures for his deliveries/services as well as for supplies or additional services rendered by third parties. The Supplier shall be liable for the environmental compatibility of the delivered products and packaging materials and for all consequential damage resulting from culpable failure to comply with his statutory obligations of disposal. The Supplier shall issue a certificate of inspection for the delivered goods at our request.
4. All goods will be subject to inspection and approval by ZIEHL-ABEGG. ZIEHL-ABEGG reserves to inspect the goods at any stage during manufacture and supply and reject such portion thereof as may be found defective or not found in conformity with the specification or not fit for their intended purpose without invalidating the remainder order, if so desired by ZIEHL-ABEGG. All rejected material shall be removed by the Supplier at its own cost within fifteen (15) days from the date of rejection note/intimation/challan posted by ZIEHL-ABEGG to the Supplier. In case of any failure due to any reasons to remove the goods/material, ZIEHL-ABEGG shall all rights to remove the defective goods/material from ZIEHL-ABEGG's customer's premises and discard it. ZIEHL-ABEGG under no circumstances will be held liable or held accountable for any damage, loss, deterioration of the rejected goods/material or for any value of it. ZIEHL-ABEGG shall also be entitled to charge an amount of (5% of the value of rejected materials) per every week of delay towards storage charges.

5. The statutory defect claims shall accrue to ZIEHL-ABEGG to their full extent (including consequential damage from defect); at all events ZIEHL-ABEGG shall be entitled at its discretion to request the elimination of defects by the Supplier or the delivery of a new item including to or at the place at which the product is used; this shall also apply in the case of contract work. ZIEHL-ABEGG shall explicitly reserve the right to claim compensation, in particular to compensation in lieu of performance.
6. Where the Supplier fails to satisfy his obligation of subsequent fulfilment within a reasonable period of time set by ZIEHL-ABEGG, ZIEHL-ABEGG shall be entitled to itself perform the necessary measures at the expense and risk of the Supplier – without prejudice to further liability for defects in existence – or arrange for their performance by third parties. ZIEHL-ABEGG shall additionally be entitled to itself eliminate defects at the Supplier's expense in case of imminent danger or special urgency.
7. The Supplier shall assume the costs and risk involved in the return of defective items, as well as those costs incurred by ZIEHL-ABEGG due to their defectiveness (in particular costs of processing, transport, infrastructure, labour, staffing and materials).
8. No worsening of the ZIEHL-ABEGG's position in comparison with procurement from the manufacturer (dealer issue). If the Supplier is to be qualified as a dealer and not as a manufacturer, the Supplier will inform ZIEHL-ABEGG of this immediately. The following shall also apply:

The Supplier guarantees that ZIEHL-ABEGG will be put in a position with respect to the warranty and other rights based on defectiveness (material and legal defects) of the object of contract as if ZIEHL-ABEGG had ordered directly from the manufacturer and the legal rights at least are pertinent. The Supplier shall surrender his claims against the manufacturer(s) based on defectiveness (material and legal defects) of the object of contract to ZIEHL-ABEGG to help. The Supplier assures that these claims are not fulfilled or excluded.

§ 9 Quality, Product Liability

1. The Supplier shall implement state-of-the-art quality assurance appropriate in type and scope (suitable quality management system e.g. ISO 9001 certification) and provide ZIEHL-ABEGG with proof of this on demand. The Supplier shall additionally conclude a quality assurance agreement with ZIEHL-ABEGG as required. ZIEHL-ABEGG shall reserve the right to perform on-site testing to check the efficacy of said quality management system.

2. Where the Supplier is responsible for a product defect, he shall be obliged upon first demand to indemnify and hold harmless ZIEHL-ABEGG, its directors, officers, employees, agents and customers from and against any loss, cost, expense, damages, claims, proceedings, actions, demands or liability, including legal counsel fees and expenses and third party claims arising out of or in connection with the Supplier's performance of the contract including but not limited to
 - (i) breach of any terms and conditions of these Terms and the order;
 - (ii) negligence or wilful misconduct of the Supplier, its employees, contractors, subcontractor or agents;
 - (iii) defects in the goods including workmanship, materials or designs of the goods supplied, services or work performed by the Supplier;
 - (iv) failure to comply with applicable laws.
3. Within the scope of his liability for damages in the aforementioned sense, the Supplier is also obliged to reimburse any expenses incurred by ZIEHL-ABEGG from or in connection with a recall campaign. ZIEHL-ABEGG shall inform the Supplier of the content and extent of such recall measures as far as this is possible and can be reasonably expected of same – and shall offer him the opportunity to comment in this regard. All other statutory claims shall remain unaffected thereby.
4. The Supplier shall undertake to maintain product liability insurance including an appropriate level of cover for the risk of recall, offering however an insured sum of at least €5 million for each instance of personal injury/damage to property on a lump-sum basis for the term of the present agreement, where further claims to compensation accrue to ZIEHL-ABEGG, they shall remain unaffected thereby. The Supplier shall on request immediately provide ZIEHL-ABEGG with written evidence documenting the conclusion and maintenance of such insurance.
3. The Supplier shall indemnify ZIEHL-ABEGG and our customers in respect of third-party claims resulting from any infringement of property rights on first demand and shall also assume all associated costs incurred thereby.
4. ZIEHL-ABEGG shall be entitled at the Supplier's expense to obtain permission for use of the respective delivery items and services from their rightful owners.
5. All Intellectual Property Rights inter alia Trademark/ Labels/ Brands or Packing or other rights belonging to ZIEHL-ABEGG shall remain the property of ZIEHL-ABEGG and the Supplier shall not claim any rights in the same during or after termination of the Contract.

§ 11 Social Responsibility and Environmental Protection, Business Partner Code of Conduct, Compliance with the Minimum Wage Act by the Suppliers

1. The Supplier shall be obliged to comply with the applicable domestic and international laws and regulations.

The Supplier is committed in the framework of his corporate responsibility to the protection of human rights, compliance with work standards and rejection of discrimination and slave / child labour during the manufacture of products and the rendering of services and to the avoidance of any adverse effects for man and his environment during performance of his activities.

The Supplier confirms that he will not tolerate any form of corruption and bribery or to engage in same in any manner whatsoever.

The Supplier is asked to avoid making gifts to staff employed by ZIEHL-ABEGG. Conventional presents or invitations of minor value shall constitute an exception to this rule.

This shall not only apply to transactions between the Supplier and ZIEHL-ABEGG, but also to other business partners (own supply chain, intermediaries, staff, competitors and the public authorities).

2. The Supplier shall be responsible for the control and management of all its employees, sub-suppliers and/or sub-contractors, and it is responsible for their acts or omissions as if they were the acts or omissions of the Supplier, and in no event shall ZIEHL-ABEGG be responsible towards the employees of the Supplier and its employees, sub-suppliers and sub-contractors. The Supplier shall therefore guarantee that he and his sub-suppliers will pay at the least the minimum wage in a timely manner and to the full to his employees in accordance with the applicable statutes.

§ 10 Property Rights

1. The Supplier guarantees that all deliveries are free of third-party proprietary rights and in particular that delivery and use of the subject of delivery does not infringe patents, licences or other proprietary rights of third parties.
2. If any claim is made against ZIEHL-ABEGG that the goods infringe a third party's Intellectual Property Rights. Supplier shall at its costs but at ZIEHL-ABEGG's discretion (i) procure for ZIEHL-ABEGG and its' clients as the case may be the right to continue using the goods; (ii) modify the Goods so they cease to be infringing or (iii) replace the goods by non-infringing equivalents. Otherwise, ZIEHL-ABEGG is entitled to terminate the contract and to reclaim all sums which it has paid to Supplier thereunder.



In the event that claims are made against ZIEHL-ABEGG by an employee of the Supplier or an employee of a contracted sub-supplier regarding wages or any other entitlements, the Supplier shall indemnify ZIEHL-ABEGG in this regards (including attorney fees).

If the Supplier culpably violates the Minimum Wage Act and/or the obligations agreed in this respect, ZIEHL-ABEGG shall be entitled to cancel the business relation or the pertinent individual contracts without notice.

3. The validity of the Business Partner Code of Conduct (BPCoC) and the obligation to observe the specific requirements and obligations regulated therein are expressly referred to in a supplementary manner. The BPCoC can be found in the ZIEHL-ABEGG download area at www.ziehl-abegg.com/en-in/service. The supplier supports ZIEHL-ABEGG in the implementation of legally prescribed due diligence processes through active and truthful participation and involvement. In particular with regard to the human rights and environmental expectations of ZIEHL-ABEGG expressed in the BPCoC, the following applies - against the background of the implementation of ZIEHL-ABEGG's obligations under the German Act on Corporate Due Diligence in Supply Chains:

- ZIEHL-ABEGG is entitled to request further information on a case-by-case basis with regard to compliance with the law and the requirements listed in the BPCoC and to verify compliance - at most once per calendar year, unless there is a justified reason for verification - after prior notice and within normal business hours at the supplier's premises itself or by external experts in accordance with the respective applicable legal provisions on site. In any inspection, the justified confidentiality interests of the supplier shall be taken into account and business processes shall not be impaired as far as possible.
- The supplier is obligated to ensure compliance with the principles and obligations regulated in the ZIEHL-ABEGG BPCoC by means of corresponding contractual requirements vis-à-vis its direct suppliers and to obligate them to pass on the obligation to comply with the principles along the supply chain relevant to ZIEHL-ABEGG to their direct suppliers for their part.
- The supplier shall design and implement suitable compliance training measures in which the managers and employees of its company are provided with an appropriate level of knowledge and understanding of the principles regulated in ZIEHL-ABEGG's BPCoC and the applicable laws.
- If the supplier violates the principles and obligations contained in the BPCoC to a considerable extent, ZIEHL-ABEGG is entitled - irrespective of any other contractual remedies - to terminate the business

relationship with the supplier by extraordinary notice in accordance with the statutory provisions applicable to the contractual relationship (in particular on setting deadlines and issuing warnings). It is at the discretion of ZIEHL-ABEGG to refrain from termination and to instruct the supplier to immediately draw up and implement a concept to end or minimize the violation and to avoid future violations. During the period of implementation of the concept, ZIEHL-ABEGG is free to temporarily suspend the business relationship.

§ 12 Termination

1. ZIEHL-ABEGG shall be entitled to terminate an order by giving thirty (30) days written notice to the Supplier in that behalf, without assigning any reason thereof. In such an event, ZIEHL-ABEGG shall pay to the Supplier the value of the delivered but unpaid goods and proven direct cost reasonably incurred by the Supplier for the undelivered goods agreed under the contract. No further compensation will be due to the Supplier.
2. ZIEHL-ABEGG shall be entitled to terminate an order in case the Supplier fails to remedy a breach within thirty (30) days of the notice from ZIEHL-ABEGG in this regard. It is further agreed between the parties that breach of an order shall, at the option of ZIEHL-ABEGG, constitute breach of the other order/s with the Supplier, which will confer a right on ZIEHL-ABEGG to terminate the other order/s also at the risk and cost of the Supplier.
3. ZIEHL-ABEGG may terminate the contract with immediate effect by notice in writing to the Supplier in the event that (i) an interim order is applied for or made, or a voluntary arrangement approved, or a petition for bankruptcy order is made against the Supplier; or (ii) any circumstance arise which entitle the court or tribunal or a creditor to appoint a receiver or administrator or to make a winding-up order; or (iii) other similar action is taken against or by the Supplier by reason of its insolvency or in consequence of debt; or (iv) there is a change of control of Supplier.
4. Upon termination, the Supplier shall immediately and at Supplier's expense return to ZIEHL-ABEGG all ZIEHL-ABEGG property (including any data, documentation provided by ZIEHL-ABEGG and transfer intellectual property rights) then under the Supplier's control; and provide ZIEHL-ABEGG with the complete documentation about the delivered goods.

§ 13 Final Provisions

1. The Supplier shall not be entitled without ZIEHL-ABEGG's prior written consent to assign the contract either partially or in its entirety to third parties; this shall also apply to any awards to subcontractors or sub-suppliers intended by the Supplier.
2. The Supplier may sub-contract all or part of its obligations however; the Supplier shall remain responsible for all its obligations under these Terms.
3. Unless agreed otherwise, the place of fulfilment for the delivery obligation the forwarding address or forwarding office desired by ZIEHL-ABEGG; for all other obligations of both parties the place of fulfilment is Pune.
4. The language of the contract shall be English.
5. These Terms shall be exclusively subject to and construed in accordance with Indian Laws. The legal venue (where both ZIEHL-ABEGG and Supplier are registered in India) shall be the court of Pune, India unless otherwise stated in the order. ZIEHL-ABEGG shall however also be entitled to bring actions at the Supplier's principal place of business. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and the United Nations Convention on the Limitation Period in the International Sale of Goods as amended, shall not apply to the order and/or these Terms and are expressly disclaimed by the parties.
6. The Supplier is an independent contractor. Nothing contained herein shall be construed as creating any agency, partnership, employment or fiduciary relationship between the Parties. Neither party shall have the authority to bind the other party in any manner whatsoever.
7. The Supplier, in its performance hereunder, shall comply with all applicable laws, regulations, codes, standards, ordinances and orders.
8. All notices, consents, claims, demands, waivers and communications hereunder ("Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by registered mail, courier, facsimile, or by e-mail. A Notice is effective only upon receipt of the receiving party, and if the party giving the Notice has complied with the requirements of this Section.
9. Failure to enforce or exercise any term of the contract does not constitute a waiver of such terms and does not affect the right later to enforce such or any other term therein contained.
10. If any of the provisions of these Terms is or becomes ineffective, invalid and/or unenforceable, the effectiveness, validity or enforceability of the remaining provisions of these Terms shall not be affected.



The Royal League

