

Movement by Perfection

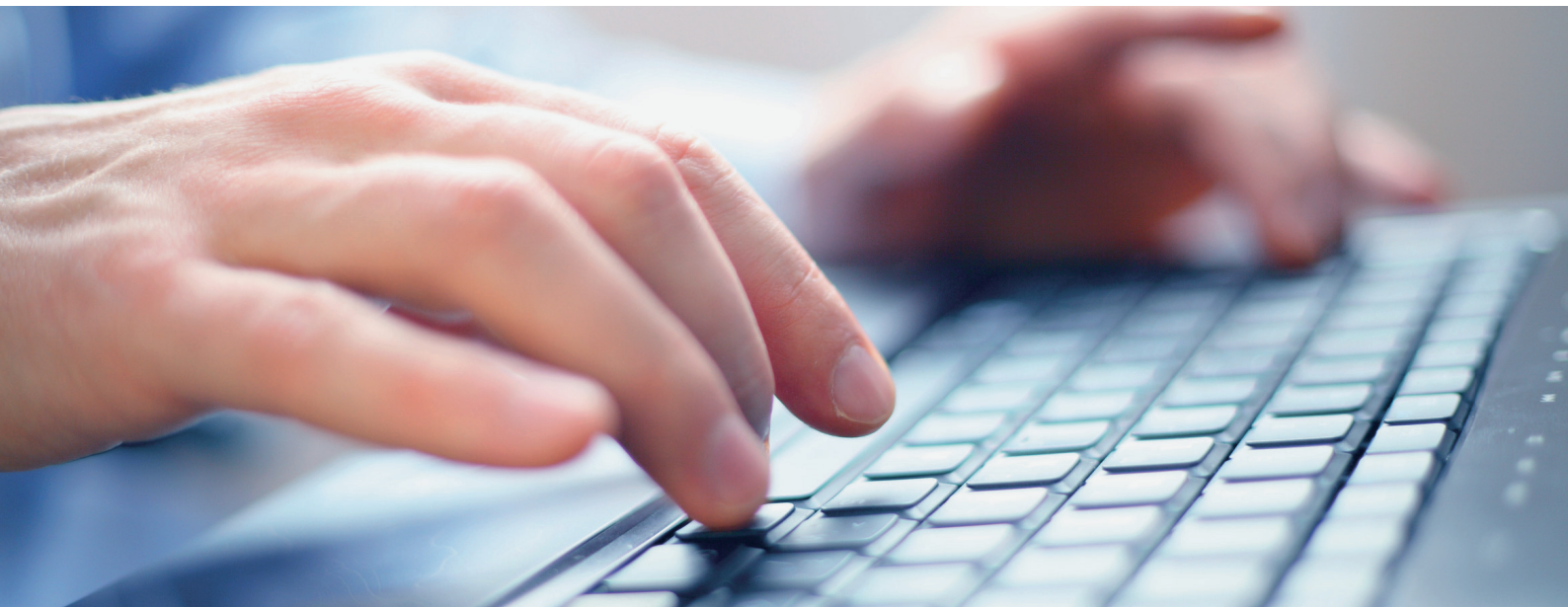


The Royal League in ventilation, control and drive technology

General Terms and Conditions of Purchase

November 2023

Please note that this is an English translation of the original Benelux version. Both language versions shall have the same legal effect. In case of any conflict, the original Benelux version shall prevail.



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General Terms and Conditions of Purchase of ZIEHL-ABEGG Benelux B.V.

a private limited liability company, having its registered office in Wenum Wiesel, the Netherlands, registered with the Chamber of Commerce under number 08144764

§ 1 General – Application of the General Terms and Conditions of Purchase

1. The following definitions apply in these General Terms and Conditions of Purchase:
 - a. ZIEHL-ABEGG Benelux B.V. (hereinafter also referred to as ZIEHL-ABEGG): a private limited liability company, having its registered office in Wenum Wiesel, the Netherlands, registered with the Chamber of Commerce under number 08144764 as well as its legal successors by universal or singular title and the other companies operating within the group of which ZIEHL-ABEGG is a part;
 - b. (the) Supplier: any natural or legal person or partnership that is a party to or is involved in any legal act or act referred to in § 1.2, or toward whom any legal act or act referred to in that clause is directed, or from whom a request as referred to in that clause originates;
 - c. GTCP: these General Terms and Conditions of Purchase of ZIEHL-ABEGG;
 - d. goods: goods and services of any kind (to be) produced for, sold to, supplied to or delivered to ZIEHL-ABEGG.
2. (The provisions in) these GTCP shall apply to all offers, quotations, orders and/or agreements (collectively: "Order") issued or entered into by ZIEHL-ABEGG as buyer/client for the delivery of goods or the provision of services (collectively: "goods"). Consequently, these GTCP also apply to all future Orders even if not expressly agreed upon again in the future. These GTCP shall supersede the terms and conditions (of purchase) of the Supplier. The applicability of any general terms and conditions of the Supplier is hereby explicitly rejected by ZIEHL-ABEGG.
3. Terms and conditions other than those stated in the Order or in these GTCP are only part of the Order in question if and in so far as both parties agree as such in writing.
4. Amendments and addenda to any provision in an Order and/or these GTCP may only be agreed in writing. Variations from and addenda to these GTCP only apply to the respective Order.

5. In the event of any contradiction between these GTCP and provisions in the Order concluded between ZIEHL-ABEGG and the Supplier, the provisions in the Order prevail.

§ 2 Orders, Acceptance, Changes, Confidentiality

1. An Order is deemed to have been accepted by the Supplier to which such Order is sent in writing or by e-mail (digital, with or without a PDF- or XML-attachment), unless the Supplier notifies ZIEHL-ABEGG in writing or by e-mail within 8 (eight) days after the date on which the Order was issued or within another time period set in the Order that it does not accept the Order. Orders shall only be valid where placed in writing, or by e-mail.
2. Every Order placed shall be confirmed in writing or by e-mail (digital, with or without a PDF- or XML-attachment) by means of an order confirmation 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 14 (fourteen) days from the date of ordering, ZIEHL-ABEGG shall reserve the right to cancel the Order without obligation.
3. All quotations submitted by the Supplier as well as all associated activities shall be free of charge for ZIEHL-ABEGG.
4. ZIEHL-ABEGG is entitled to require that the scope and/or qualities of the goods to be delivered be changed. ZIEHL-ABEGG is also entitled to make changes in the designs, drawings, models, instructions, specifications and the like relating to the goods to be delivered. In the event of such amendment to the Order/goods to be delivered, due consideration must be given to the consequences for both parties, in particular as regards additional or reduced costs as well as the delivery dates. If these consequences for the price and/or delivery period are, in the opinion of ZIEHL-ABEGG, unreasonable in view of the nature and scope of the change, ZIEHL-ABEGG is entitled to cancel the Order or to terminate it in part or in full, without judicial intervention, by notifying the Supplier in writing. Cancellation or termination pursuant to this article does not entitle either of the parties to compensation of any damages.

5. ZIEHL-ABEGG shall be entitled, at all times, to terminate and/or rescind all or part of an Order prematurely by sending written notification to the Supplier. The Supplier shall cease performance of the Order immediately upon receipt of the written notification. ZIEHL-ABEGG shall pay the Supplier all reasonable costs for goods already delivered or provided, as well as for obligations entered into by the Supplier, but the Supplier shall not, under any circumstance, be able to claim compensation for any loss of profit or costs of overhead or other (consequential) damage. In the event of advanced payment by ZIEHL-ABEGG, the Supplier shall repay any payments already made to ZIEHL-ABEGG at its first request.
6. ZIEHL-ABEGG shall retain the property rights and copyright to all figures, drawings, calculations, designs, models, instructions, inspection procedures, et cetera (collectively: "know-how"), these shall constitute a part of the Order; they shall not be made accessible to third parties without explicit written consent of ZIEHL-ABEGG. They shall be solely used by the Supplier for performance of the Order; following execution of the Order they shall be automatically returned to ZIEHL-ABEGG. Wherever any such know-how and information is not required, or no longer required, for the performance of the Order, the Supplier will immediately return it and all copies thereof to ZIEHL-ABEGG, or where return is not reasonably possible, destroy it and all copies thereof. They shall be kept secret from third parties. Any right of retention to such know-how shall be excluded in all cases.
7. The Supplier may not disclose the Order or any know-how or other information that becomes known to the Supplier in the performance of the Order to third parties (including sub suppliers and subcontractors) or use this know-how and information on its own behalf or that of third parties without the prior written permission of ZIEHL-ABEGG. In case of given permission, a corresponding obligation shall be imposed in writing on any sub suppliers and subcontractors. Should the Supplier determine that (an item of) know-how has been acquired by an unauthorised third party or that a confidential document has been mislaid, he shall notify ZIEHL-ABEGG in writing at once.
8. The Supplier will not refer to (any Order of) ZIEHL-ABEGG in brochures, publications or advertisements, without prior written consent of ZIEHL-ABEGG.

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

1. The prices stated in the Order are fixed prices in euro and shall include all taxes and levies and other costs required for the fulfilment of Supplier's obligations, unless agreed otherwise in the Order. Additional costs not agreed with

ZIEHL-ABEGG in advance by written Order, are not eligible for reimbursement. Where prices are not specified in the Order, they shall be stated in the order confirmation. In this case, the contract shall not come into effect until ZIEHL-ABEGG has given prior 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), in accordance with the Incoterms 2010 as published by the International Chamber of Commerce (ICC), without prejudice to the provisions of these GTCP. This means that the Supplier shall take care of the transport of the goods to the destination indicated by ZIEHL-ABEGG at his own risk and expense and shall also pay the import charges and levies and take care of the corresponding formalities. The Supplier must mark the goods as destined for ZIEHL-ABEGG, and store the goods safely and insure them until the moment of delivery to ZIEHL-ABEGG. The Supplier will neither provide or exhibit the Goods to third parties, nor grant third parties access to the goods, except with the prior written permission of ZIEHL-ABEGG.
3. The Supplier shall provide the goods with a delivery note as mentioned in § 3.4. The order number of ZIEHL-ABEGG shall be stated on advices of shipment, bills of lading, invoices and all correspondence with ZIEHL-ABEGG. The delivery of goods shall also comprise the delivery of any appurtenances, certificates, (air) way bills, consignment notes, packing lists, inspection data, drawings, instruction books, manuals, user guides, spare parts list, maintenance instructions, documentation, quality and guarantee certificates and any other documents as prescribed by legislation and/or by ZIEHL-ABEGG. The documents mentioned in the previous sentence shall be drawn up in the Dutch or English language, or be accompanied by a translation in one of these languages.
4. The Supplier shall provide the goods with a delivery note stating the total of the delivery quantity and all data indicated in the Order, especially order number, the item numbers, quantities, descriptions and the correct unloading point. The goods delivery must be labelled as follows: (i) total packing units per delivery note; (ii) numbered specification per individual type of packing unit (e.g. pallet, skeleton box, container, large box, etc.). (iii) The part/partial quantity therein (per bag, roll, packet, etc.) must be labelled with quantity and number according to the specification as mentioned under (ii). In case of international transport, the delivery note must also include the relevant commodity code(s).



5. ZIEHL-ABEGG is entitled not to take receipt of and/or to refuse the goods to be delivered, if the regulations and provisions of this paragraph have not been complied with. In that case, the goods will be considered not to have been delivered.
6. Delivery quantities of goods – and the time of delivery – form the essence of the Order. ZIEHL-ABEGG shall only be obliged to accept (delivery of) the quantities or piece numbers ordered by ZIEHL-ABEGG for a specific time of delivery. Deliveries which exceed or fall short of the specified quantity and/or time of delivery shall only be accepted when previously agreed by ZIEHL-ABEGG in writing. ZIEHL-ABEGG is authorised to return non-agreed deliveries or partial deliveries of goods at the Supplier's expense and risk. In the event of delivery of quantities that differ from the quantities as agreed, ZIEHL-ABEGG may reject the excess (and in the event, that less was delivered than agreed, reject the entire delivery) and return it at the Supplier's expense and risk. Insofar as certificates of material tests or other documents are part of supply/the Order, these are an essential part of the delivery and must be sent to ZIEHL-ABEGG together with the invoice at the latest.
7. The ownership of the goods purchased by ZIEHL-ABEGG shall be transferred to ZIEHL-ABEGG as a result of and as soon as the goods are loaded for transport. Shipment shall take place at the Supplier's risk. The Supplier will ensure that the goods are properly packaged and secured and shipped in such a manner that when transported they reach the place of delivery in good condition and can be unloaded there safely. Packaging materials shall only be used to the extent that they are necessary to achieve this purpose. Supplier is only permitted to make use of environmentally sustainable packaging and filling materials which do not impair recycling. The Supplier is responsible for its own compliance and the compliance of carriers contracted by or on behalf of the Supplier with national, international and/or supranational provisions relating to packaging, safety and shipment. The risk of any deterioration, including perishing of the goods, shall thus remain with the Supplier until delivery to the forwarding address or forwarding office desired by ZIEHL-ABEGG.
8. Where ZIEHL-ABEGG is separately charged for packaging by way of exception, ZIEHL-ABEGG shall be entitled to return said packaging against reimbursement of the paid fee. Said packaging will be returned at the Supplier's expense and risk to a destination to be specified by the Supplier. Hired/lease packaging shall be clearly marked as such by the Supplier. Return shipments of hired/leased packaging shall be made to a destination indicated by the Supplier at the risk and expense of the Supplier.
9. 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 – in addition to the information referred to in § 3.4 – the following data: (i) name and telephone numbers of ZIEHL-ABEGG's and the Supplier's contact persons; (ii) ZIEHL-ABEGG's Order number, (iii) ZIEHL-ABEGG's invoice items of the Order, (iv) release code number (with skeleton agreements), (v) individual component numbers and detailed description of goods; (v) purchase price per item stated in the currency applicable to the Order; (viii) quantity; (ix) Incoterms 2010 and designated location, in addition to the country of origin and customs tariff number of the goods. Moreover, (x) all goods provided by 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 (xi) 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.
10. 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 ZIEHL-ABEGG in examining the eligibility of goods for such programmes of benefit to ZIEHL-ABEGG and to supply ZIEHL-ABEGG with the necessary documentation (such as the EUR1 Certificate, preferential certificate of origin, FAD, NAFTA Certificate of Origin or other certificates of origin) in accordance with the relevant preferential customs treatment programme (e.g. EEA, Lomé Convention, EU / Mediterranean Partnerships, GSP, EU-Mexico Free Trade Agreement, NAFTA, etc.). This 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 Order and this is deemed by ZIEHL-ABEGG to be of benefit to ZIEHL-ABEGG at any time during its execution, the Supplier shall be obliged to support ZIEHL-ABEGG in her efforts to realise such benefits, including the value of any countertrades ensuing from the Order or set-off, and the Supplier shall acknowledge that such benefits and preferential treatment shall solely accrue to ZIEHL-ABEGG. The Supplier shall 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.

11. Where the ICS (Import Control System) customs procedure is of relevance, this shall be observed by the Supplier, who shall thus in particular make available to the custom authorities the data pertinent to customs clearance in a timely manner in the form of the stipulated Entry Summary Declaration (ENS).

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

1. The Supplier shall be obliged, prior to accepting the Order, to investigate whether the goods for delivery, processed or otherwise, may be exported to the final destination indicated by ZIEHL-ABEGG and shall be responsible for the provision of any export permit(s) required.
2. The Supplier represents and warrants that it is, and will remain in compliance with the requirements of (and related to) all applicable import and export(-control) laws, regulations, orders and requirements, as they may be amended from time to time, including without limitation those of the United States, the European Union and the jurisdictions in which Supplier and ZIEHL-ABEGG are established or from which goods may be supplied. Such requirements include but are not limited to obtaining all required authorizations or licenses for the export or re-export of any of the goods ordered by ZIEHL-ABEGG. Without limiting the generality of the foregoing, the Supplier hereby represents and warrants that it has not been, and is not currently, debarred, suspended or otherwise prohibited or restricted from exporting, re-exporting, receiving, purchasing, processing or otherwise obtaining any of the ordered goods. The Supplier agrees to indemnify and hold harmless ZIEHL-ABEGG from any costs, penalties or other losses caused by, or related to, any violation or breach of the warranties contained in this provision.
3. The Supplier is obliged to inform ZIEHL-ABEGG of any approval obligations for (re-) exports of his goods in accordance with Dutch, 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.
4. An essential part of the agreement(s) between parties is the obligation to submit long-term delivery declarations for goods with a preferential origin property in accordance with the Council Regulation (EC) version valid at the time of delivery. Supplier is obliged, within the context of the applicable Council Regulation (EC), to provide declarations and information required at Supplier's expense, permit inspections by customs authorities, and obtain required official confirmations. Supplier will provide signed evidence of origin (e.g. certificates of origin, supplier

declarations pursuant to the applicable Council Regulation) with all required information to ZIEHL-ABEGG. Supplier will complete the entire customs registration for the goods together with all formalities. In addition to delivering customs-cleared goods, the corresponding documents and certificates shall also be delivered to ZIEHL-ABEGG upon request. If the long-term delivery declarations turn out to be insufficiently informative or incorrect, the Supplier shall be obliged to provide ZIEHL-ABEGG with error-free, complete and customer-confirmed information sheets about the origin of the goods upon demand.

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 Order and that all deliverables can be made in due time.

§ 5 Compliance with laws, executive orders and regulations, Business Partner Code of Conduct

1. The Supplier warrants that goods (to be) delivered under an Order will have been produced or provided in compliance with, and the Supplier will comply with, all applicable laws, orders, rules, (statutory) regulations, ordinances and conventions, including without limitation, those that relate to equal employment opportunity, (minimum)wages, hours and conditions of employment, discrimination, occupational health/safety, motor vehicle safety, environmental matters, competition and anti-bribery. The Supplier is obligated to comply with legal provisions and/or regulations regarding treatment of employees, protection of the environment and occupational health and safety conditions and is obligated to undertake efforts to lessen the negative effects of his activities on people and the environment.
2. At request, the Supplier shall certify in writing its compliance with the regulations as referred to in § 5.1. The Supplier shall indemnify and hold ZIEHL-ABEGG harmless from and against any loss, cost, damage, expense or liability claim (including attorney fees and other costs of defence) arising from or relating to Supplier's violation of this paragraph.
3. No goods supplied under an Order shall contain any mineral that directly or indirectly finances any armed group that has been identified as a perpetrator of human rights abuses, including without limitation those defined as conflict minerals in the rules issued under Section 13(p) of the US Securities Exchange Act of 1934 (Dodd-Frank Act).



4. In the event that the Supplier violates any kind of law, ZIEHL-ABEGG reserves the right to cancel all Orders with immediate effect.
5. 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).
6. 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/nl/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.

§ 6 Invoicing and Payment

1. Invoicing by the Supplier shall take place after the delivery of the goods has taken place, unless agreed otherwise in the Order. Invoices (digital, with or without a PDF- or XML-attachment) shall be sent to the following e-mail address: e-invoicing@ziehl-abegg.nl. Furthermore, with regard to the invoicing, the Supplier shall act upon ZIEHL-ABEGG's instructions. The invoices of Supplier shall also contain all the information required by law. In addition, ZIEHL-ABEGG will only have to process invoices where – as specified in the Order – the order number shown therein is indicated in addition to any other information explicitly mentioned.
2. Invoices not submitted in the form as set in in § 6.1 shall not establish a due date for payment and shall only be deemed to have been received once submitted in the proper form. ZIEHL-ABEGG reserves the right in the event of premature delivery to effect payment not until the due date agreed for settlement.
3. Invoicing shall take place in arrear. Net payment shall take place within 60 (sixty) days after receipt of a correct invoice. In case of payment within 14 (fourteen) days a discount of 3% (three percent) will be granted by Supplier on the agreed price, unless agreed otherwise in the Order.
4. If ZIEHL-ABEGG establishes a non-conformity concerning the delivered goods (for instance with respect to the time of delivery, the quantity, the sound condition and/or fitness of the delivered goods), ZIEHL-ABEGG is entitled to refuse payment or to suspend its payment obligations with respect to the (part of the) delivery that has (not) taken place and with respect to which the complaints have been expressed.

5. If ZIEHL-ABEGG disputes an invoice or any item on an invoice or if the invoice has been drawn up or submitted incorrectly in any way, ZIEHL-ABEGG has the right to not pay the disputed amount. ZIEHL-ABEGG shall notify the Supplier of its grounds for disputing the invoice as soon as possible and the parties shall try to resolve any such dispute as swiftly as possible.
6. Payment does not entail acceptance of the Goods in question. If ZIEHL-ABEGG detects a fault in the goods, ZIEHL-ABEGG is authorised to suspend payment. ZIEHL-ABEGG may deduct amounts that the Supplier owes to ZIEHL-ABEGG from any amount to be paid.
7. If ZIEHL-ABEGG exceeds a payment term and/or refuses to pay on account of non-conformity as referred to in § 6.4 and/or disputes the correctness of the invoice and/or the invoice amount, this does not give the Supplier the right to suspend or terminate his activities or to terminate the Order.
8. Payment by ZIEHL-ABEGG does not in any way constitute a waiver of a right or claim and does not in any way discharge the Supplier from any obligation, guarantee and/or liability.

§ 7 Delivery Dates, Delay in Delivery, Force Majeure

1. The Supplier shall strictly comply with the agreed delivery period and delivery schedules. In case of any excess of the delivery period, the Supplier shall automatically be in default without further notice. ZIEHL-ABEGG reserves the right in all cases to rescind the agreement/Order forthwith in full or in part, without any notification of default or judicial intervention being required, and without prejudice to her other statutory rights, all this without ZIEHL-ABEGG being due any damages in respect thereof.
2. The Supplier is obliged to inform ZIEHL-ABEGG within 24 hours in writing, should circumstances arise or become known to him which results in not being able to keep the agreed delivery date; at the same time, he must state the probable duration of the delay. The Supplier shall be obliged to do everything Supplier possibly can to make up any delay that occurs. Any extra costs for measures to make up delays and any damage or loss sustained by ZIEHL-ABEGG shall be borne by the Supplier.
3. ZIEHL-ABEGG may, at its sole discretion, in cases of late performance, charge the Supplier a delay penalty of 0,2% of the net total value of the Order per working day of delay up to a maximum of 8% (eight percent) of the net total value of the Order, without prejudice to ZIEHL-ABEGG's right to dissolve the Order in part or in full by written

declaration after 8 (eight) calendar weeks have passed and without prejudice to ZIEHL-ABEGG's right to compensation, in addition to the penalty (which remains payable by the Supplier), for the full damage or loss that it has suffered and/or will suffer as a consequence of the late performance.

4. The Supplier shall only be entitled to claim against absence of (necessary) provisions to be made by ZIEHL-ABEGG or other co-operation obligations if he has reminded ZIEHL-ABEGG in writing and ZIEHL-ABEGG has failed to meet these obligations within a reasonable period of grace.
5. If ZIEHL-ABEGG requests the Supplier to postpone the delivery, the Supplier shall insure the goods and store them in a safe place, in adequate packaging and in a manner that enables them to be identified as destined for ZIEHL-ABEGG. In that case, ZIEHL-ABEGG shall agree reasonable compensation for this with the Supplier.
6. If the Supplier is prevented from meeting its obligations under the Order by force majeure, the provisions of article 6:75 of the Dutch Civil Code shall apply. In the event of force majeure, the Supplier must notify ZIEHL-ABEGG in writing within 24 (twenty-four) hours, stating the reasons. In addition, the Supplier must make every possible effort to overcome the impediment and to limit any damage or loss.
7. In the force majeure situation as referred to in § 7.6, the obligations of both parties shall be suspended for the duration of this situation, with the exception of any obligations that can still be met. In a situation of this nature, ZIEHL-ABEGG shall only be obliged to issue payments for those obligations under the Agreement that have indeed been met.
8. If the force majeure situation is going to last an unreasonably long time in view of ZIEHL-ABEGG's obligations regarding its own clientele, ZIEHL-ABEGG shall be entitled to dissolve the Order. In the event of advanced payment by ZIEHL-ABEGG, the Supplier shall repay any payments already made to ZIEHL-ABEGG at its first request, without the Supplier being entitled to suspension or settlement.



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

1. The Supplier guarantees/warrants that:
 - a. the goods (to be) supplied (i) are new, of good quality and are free of defects, (ii) are entirely in accordance with ZIEHL-ABEGG's requirements, specifications, conditions, drawings, samples, operational requirements and/or other information provided by ZIEHL-ABEGG, (iii) are free of design flaws, faults and/or shortcomings, (iv) are complete and suitable for the business purpose and use indicated in the information provided by ZIEHL-ABEGG, and (v) do not infringe any intellectual property right of third parties, this also in regard to the aforesaid business purpose and use, and that the Supplier is the owner of the intellectual property rights or holds sufficient rights to transfer the goods free of obligations towards third parties;
 - b. in reference to the goods (to be) supplied, the provisions of law and governmental provisions of the destination country have been met and that all approval documents required by governmental institutions have been obtained and will be provided to ZIEHL-ABEGG, that the goods meet the requirements of the safety and quality standards generally maintained within the sector in question, and that the goods will be provided with the approvals and certificates for use and that they will be accompanied, in so far as necessary for the health and safety of persons or property, with the necessary and clear operating instructions, safety instructions and warnings;
 - c. all transactions within the scope of the delivery relations 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.
2. The Supplier is liable for and indemnifies ZIEHL-ABEGG against all claims of third parties in relation to acts or omissions of the Supplier and/or the third parties contracted by the Supplier in the performance of the Order or failure to fulfil obligations towards ZIEHL-ABEGG (including the warranties given above under (a), (b) and (c), § 4.1-4.4 and § 5.1-5.3), and in regard to any infringement or alleged infringement of third-party intellectual property rights in relation to the goods or their use. For the application of this article, ZIEHL-ABEGG's personnel and employees shall be regarded as a third party.
3. The guarantees as referred to in § 8.1, § 4.1-4.4 and § 5.1-5.3 shall be valid for the term laid down in the Order, or in the absence thereof, for a period of five years following completion of the delivery. The guarantee term shall be extended for a period equal to the period(s) during which the goods could not or not fully be used due to a fault. New guarantee terms equal to those mentioned above in the first sentence shall apply to goods that have been supplied as replacements as well as to replaced or repaired parts of these goods, also including those parts of the goods that may be affected by replaced or repaired parts. If goods form part of a larger object, for instance a technical installation, the guarantee term shall commence upon the completion of the larger object.
4. The Supplier guarantees that it will fully take over guarantees from third parties, in any case for the term of his own guarantees.
5. If a fault arises during the guarantee term as referred to in § 8.3, ZIEHL-ABEGG is entitled at its own discretion either:
 - a. to demand that the Supplier on ZIEHL-ABEGG's first demand collects the goods at the Supplier's risk and expense, in which case ZIEHL-ABEGG shall receive an immediate refund of payments made for these goods; or
 - b. to demand that the Supplier at his own risk and expense repairs all faults arising during the guarantee term and/or replaces the goods, or faulty parts thereof, on ZIEHL-ABEGG's first demand, both without prejudice to ZIEHL-ABEGG's right to compensation for any (further) damage suffered by ZIEHL-ABEGG and/or third parties. If the Supplier believes that ZIEHL-ABEGG cannot make a claim under the guarantee provisions as referred to in this paragraph, the burden of proof is on the Supplier.
6. The Supplier shall bear 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).
7. Where the Supplier has reservations about the type of execution required by ZIEHL-ABEGG, he shall immediately notify ZIEHL-ABEGG in writing.

8. 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 request of ZIEHL-ABEGG.
9. At all times ZIEHL-ABEGG has the right (but not the obligation) to (before the delivery) inspect or have inspected and/or to check or have checked the deliveries at the place of manufacture or at the agreed place of delivery, to determine if the part/result of the deliveries complies with what has been agreed. ZIEHL-ABEGG shall notify the Supplier as soon as possible if ZIEHL-ABEGG wishes to use this right.
10. If, on the basis of the (interim) check and/or inspection, ZIEHL-ABEGG finds that the delivery (or part thereof) that was the subject of the (interim) check and/or inspection does not comply with what has been agreed, ZIEHL-ABEGG – in addition to any right arising from the guarantee obligations of the Supplier or under general law – has the authority, at its discretion:
 - a. to reject the goods concerned and to return them at the expense of the Supplier, in which case ZIEHL-ABEGG is entitled to replacement or redelivery without further costs and within a delivery term to be fixed. If the goods have been replaced or redelivered, a repeated (interim) check and/or inspection may take place;
 - b. to keep and to use the rejected goods at a fair reduction of the purchase price, to which the Supplier is obliged to agree;
 - c. in case of an urgent matter, to repair or have the rejected goods repaired by ZIEHL-ABEGG or by a third party or to purchase the goods from a third party at the expense of the Supplier, if possible after having submitted an indicative estimate to the Supplier.
11. If the results of a repeated (interim) check and/or inspection as referred to in § 8.10 under (a) show that the replacement or redelivered goods again does not comply with what has been agreed, ZIEHL-ABEGG is not obliged to accept (the result of) the delivery and ZIEHL-ABEGG is entitled to dissolve the Order without notice of default or court intervention, or to use any of its other rights, without the Supplier being entitled to any compensation. In this case, ZIEHL-ABEGG has the right to repair or replace or have the goods repaired or replaced by a third party at the expense of the Supplier.
12. The costs incurred by the (interim) check and/or inspection will be borne by ZIEHL-ABEGG. If a check and/or inspection as referred to in this paragraph cannot take place at the intended time due to actions of the Supplier or if an (interim) check and/or inspection must be repeated due to actions of the Supplier, any costs arising therefrom will be borne by the Supplier.
13. The Supplier is not entitled to invoke the results of (interim) checks and/or inspections carried out previously. Nor does approval or acceptance of the delivery or part thereof release the Supplier from any guarantee or liability arising under these GTCP, the Order and/or applicable legislation.
14. Supplier shall take out adequate insurance for the purpose of liability as referred to in this paragraph and will allow ZIEHL-ABEGG to review the policy upon request. The Supplier shall ensure that his public liability insurance accepts any changes mentioned above in relation to the statutory liability provisions without impairing the existing cover offered by his public liability insurance.
15. 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).

§ 9 Quality, Product Liability

1. Supplier shall indemnify and hold ZIEHL-ABEGG harmless against any and all claims regarding the goods delivered, based on product liability legislation. The Supplier shall sufficiently insure itself against third-party liability and its liability towards ZIEHL-ABEGG, including an appropriate level of cover for the risk of recall (product-liability), covering such heads of liability as may arise under or in connection with the Order (but never for less than EURO 5.000.000,00 per occurrence). Supplier shall on ZIEHL-ABEGG's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.
2. If a claim is lodged against ZIEHL-ABEGG due to product liability, then the Supplier is obligated to indemnify ZIEHL-ABEGG from such a claim to the extent that the damage has been caused by goods that have been delivered by the Supplier. In cases such as these, all costs and expenditures will be at the expense of the Supplier, including the costs of any legal procedures.
3. Prior to a recall that can be attributed in part or in whole to a defect in goods that have been delivered by the Supplier, ZIEHL-ABEGG will notify the Supplier of this in



writing and give the Supplier the opportunity, in mutual cooperation and consultation, to conduct the recall as efficiently as possible, unless notification of or cooperation with the Supplier is not possible due to the emergency nature of the matter. To the extent that the product recall is the consequence of defective goods that was delivered by the Supplier, the costs of the recall will be borne by the Supplier.

4. The Supplier shall implement state-of-the-art quality assurance appropriate in type and scope (suitable quality management system e.g. DIN EN ISO 9000 ff) 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.

§ 10 Miscellaneous

1. Any rights and obligations arising from these GTCP for the Supplier are non-transferable (nor property law, nor the law of obligations), unless this is stipulated in so many words in these GTCP or it has been explicitly agreed with ZIEHL-ABEGG in writing.
2. The place of performance for all performances owed by the contracting parties shall be the place where ZIEHL-ABEGG has its registered office.
3. Any and all obligations between ZIEHL-ABEGG and the Supplier, as well as these GTCP, and all contractual and non-contractual obligations arising there from or related thereto, are governed by Dutch law, with the exception of the conflict rules under Dutch private international law. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
4. Any and all disputes concerning, arising from or related to an Order between ZIEHL-ABEGG and the Supplier, an offer or quotation or Order which is subject in full or in part to these GTCP as well as all contractual or non-contractual obligations arising there from or related thereto, will be solely submitted to the competent court in 's-Hertogenbosch, the Netherlands.
5. If the Supplier suspends payments or if the Supplier or one of its creditors files for insolvency proceedings on the Supplier's assets or similar proceedings on debt clearing, ZIEHL-ABEGG can, without prejudice to its other statutory and contractual rights, at its discretion terminate the Order and/or enter into the contracts of the Supplier with its subcontractors.

6. If a provision in the Order is or becomes invalid or impracticable in whole or in part or if there is a gap the Order, this shall not affect the validity of the remaining provisions hereof. If a provision in the Order is or becomes unenforceable, a provision corresponding to what would have been agreed upon according to the purpose of the Order if the contracting parties had considered the relevant issue from the beginning shall be deemed agreed upon. The preceding sentence shall apply correspondingly in the event of a gap.

7. The chapters and headings in these GTCP serve solely for the convenience of the reader and cannot influence the content or the meaning of the provisions in these GTCP. The English text of these GTCP prevails over any translation.

These GTCP have been filed with the Chamber of Commerce, the Netherlands, under number 08144764. The version most recently filed is the applicable version.

The Royal League

