

Movement by Perfection

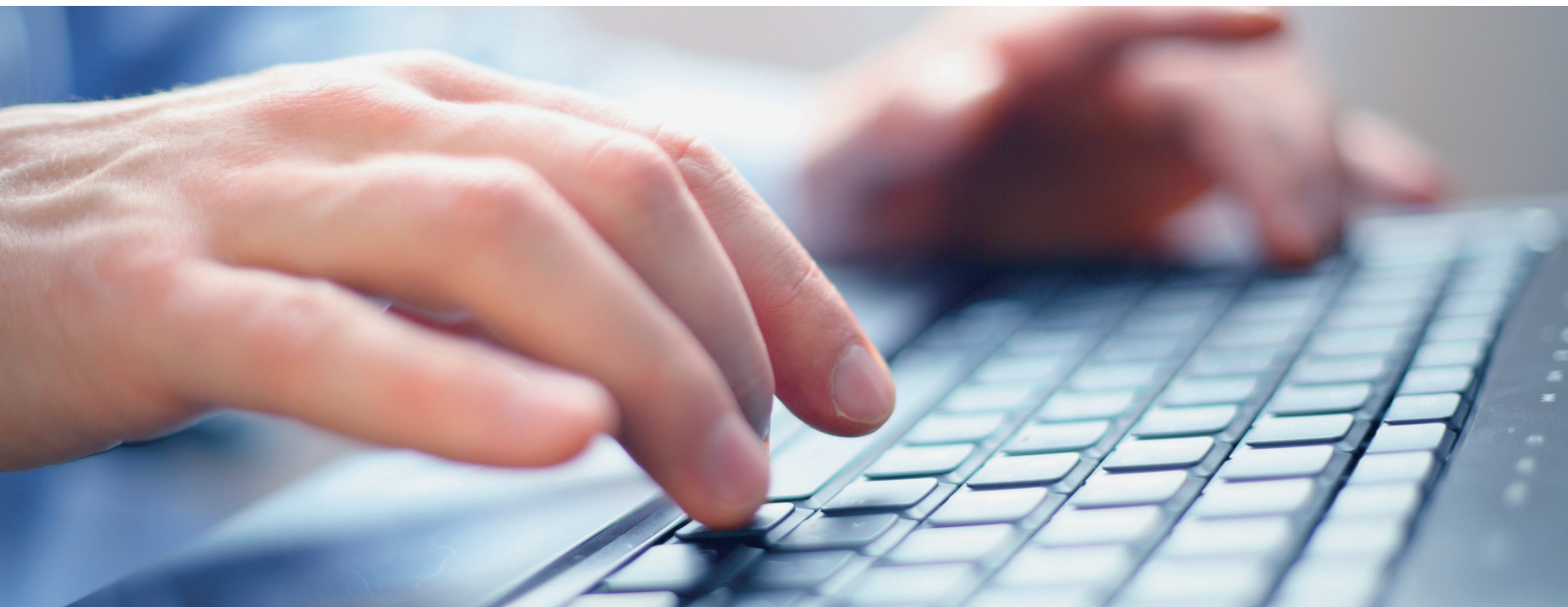


The Royal League in ventilation, control and drive technology

General Terms and Conditions of Purchase

July 2024

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



Content

§ 1	General - Application	3
§ 2	Orders	3
§ 3	Prices, Shipment, Packaging, International Transport, International Trade Control	4
§ 4	Export Control and Customers, Supplier Declarations, Certificates of Origin	6
§ 5	Invoicing and Payment	6
§ 6	Delivery Dates, Delay in Delivery and Force Majeure	7
§ 7	Liability for Defects and Guarantee/ Warranty, Dealer Issues	7
§ 8	Quality, Product Liability	9
§ 9	Property Rights	9
§ 10	Terms and Termination	10
§ 11	Social Responsibility and Environmental Protection, Business Partner Code of Conduct	10
§ 12	Final Provisions	11

General Terms and Conditions of Purchase of the ZIEHL- ABEGG VIETNAM COMPANY LIMITED ("ZIEHL- ABEGG")

§ 1 General Application

1. Only our General Terms and Conditions of Purchase shall apply; terms and conditions of the Supplier (hereinafter also referred to as the "Vendor" or the "Contractor") which are either to the contrary or diverge from our Terms and Conditions of Purchase shall not be recognized by ZIEHL-ABEGG and/or any of their affiliates and/or subsidiaries (hereinafter also referred to as "ZIEHL-ABEGG" or "Purchaser" or "Client") unless ZIEHL-ABEGG has explicitly consented to their application in writing.
2. The Terms and Conditions of Purchase shall likewise apply where the Supplier's delivery is accepted without reservation by ZIEHL-ABEGG in awareness of the terms and conditions of the Supplier which are either to the contrary or diverge from our own Terms and Conditions of Purchase.

Should at any time, any inconsistency, incompleteness, or any incoherence between the terms of a Purchase Order (as defined herein below) and these General Terms and Conditions of Purchaser, and/or the terms of any other agreement between the Purchaser and the Supplier, the Purchaser Order shall prevail. Purchaser may notify Supplier of any change to these General Terms and Conditions of Purchase in any way Purchaser deems fit, including through placing of a general notice in the Suppliers' portal maintained by the Purchaser. Terms and conditions of Supplier and any other terms and conditions of business contained in any acknowledgments, standard forms or other documents issued by Supplier shall not apply, regardless of whether or not Purchaser expressly objects to them in a particular case.

3. The Terms and Conditions of Purchase shall also apply to all future transactions with the Supplier. Subject to such General Terms and Conditions of Purchase, ZIEHL-ABEGG, from time to time, may agree purchase goods and/or materials and/or equipment and/or machines and/or services set out in the Purchase Order and Purchase Order Confirmation agreed by both Parties. These General Terms and Conditions of Purchase do not obligate the Purchaser to purchase any quantity of goods and/or services from the Supplier. The Supplier and the Purchaser agree that all such purchases and sales between the Purchaser and the Supplier shall be subject to these General Terms and Conditions of Purchase, as may be amended by the Purchaser from time to time.
4. The Terms and Conditions of Purchase shall solely apply vis-à-vis entrepreneurs in accordance with statutory legis-

lation. For the avoidance of doubt, the Supplier shall be solely responsible for obtaining any and all necessary and/or required permits, licenses, approvals and/or authorizations, including but not limited to import licenses, as may be required and/or necessary by or from any authority, state or institution. It is specifically agreed and stipulated that the Supplier's inability to obtain any such permits or approvals shall not be regarded as, and shall not amount to, any force majeure.

§ 2 Orders

1. Orders shall only be valid where placed in writing, by letter or by e-mail that have been agreed upon. Any changes and/or amendments of Purchase Orders shall be agreed by both Parties expressly in advance and in writing. The Supplier will confirm in writing to the Purchaser the content and terms of the Purchase Order within three (3) days of receipt thereof. Supplier's confirmation of a Purchase Order or beginning performance of any Purchase Order shall constitute acceptance and deemed as consent to these General Terms and Conditions of Purchase and shall automatically mean that the Supplier undertakes to comply with the Purchaser's production policies, the Purchaser's quality assurance policies, any applicable legal rules and regulations, as well as any other Quality and Environmental control procedure(s) that may be implemented in the Purchaser's place of business during the term of the Purchase Order as may be announced or posted online by the Purchaser from time to time, which shall be deemed an integral part of this General Terms and Conditions of Purchase.

Every order placed must be confirmed 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 order confirmation within 24 hours from the time of order or the agreed period, ZIEHL-ABEGG shall reserve the right to cancel the order without obligation.

2. The time schedule and delivery date(s) are specified in the Purchase Order. The Supplier's acceptance of the Purchase Order shall constitute the Supplier's irrevocable commitment to meet the time schedule and delivery date(s) set therein. The time schedule and delivery date(s) specified in the Purchase Order are of the essence and may be changed only by written agreement signed by both Parties.

3. ZIEHL-ABEGG shall retain the property rights and copyright to all figures, drawings, calculations and other documents; same shall not be made accessible to third parties without our 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.
 4. All quotations submitted by the Supplier as well as all associated activities shall be free of charge for ZIEHL-ABEGG.
 5. The Supplier shall be obliged to maintain data, knowhow, information, drawings, techniques, computer programs in human or machine-readable code, business and marketing plans and projections, arrangements and agreements with third parties, customer information including names of suppliers and customers, formulae, stock-lists, prices, discounts, terms and conditions of any transactions, production and working methods, passwords, ideas, whether reduced to a material form or otherwise, designs, plans, processes and models of any kind and other items as regards all business and trade secrets furnished or disclosed to the Supplier by ZIEHL-ABEGG, whereby this shall also include all documents received from and/or disclosed by the Purchaser within the framework of their engagement exclusively for the performance of the Purchase Orders (Hereinafter referred as to the "Confidential Information").
 6. The Supplier agrees and undertakes (i) to keep the Confidential Information absolutely and strictly secret, (ii) to transmit the Confidential Information to third parties only subject to the Purchaser's prior written permission to the extent required for the purpose of the performance of the Purchase Order, and (iii) to otherwise keep the Confidential Information strictly confidential. The Supplier undertakes that it shall obligate third parties to safeguard the Confidential Information in a manner consistent with the Supplier's obligations hereunder and to impose the same obligations undertaken by it on their employees to whom same Confidential Information shall be disclosed. Without derogating from the aforementioned, Confidential Information shall also include any data, drawing, design, equipment or other material or information which is (i) provided by the Purchaser or (ii) provided by the Supplier but paid for by the Purchaser and shall be at all times and for all purposes considered the sole exclusive proprietary Confidential Information of the Purchaser. Notwithstanding the foregoing, Confidential Information shall not include information which the Supplier may demonstrate that: (i) Was known to the Supplier as evidenced by its written records prior to receipt of such information from Purchaser. (ii) Was in the public domain through no fault of the Supplier (iii) Was disclosed in good faith to the Supplier by third party who has a right to make such disclosures, and such disclosures to the Supplier by the third party are without restriction as to its use by the Supplier.
 7. Any advertising and/or oral and/or written communication to third parties in connection with the Purchase Order any and all of its details as well as the contemplated business relationship between the Parties shall always be subject to the Purchaser's prior written approval.
 8. ZIEHL-ABEGG shall also be at liberty to request changes to the subject of delivery following conclusion of the contract where this can be reasonably expected of the Supplier. In the event of such amendment to the contract 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.
- ### § 3 Prices, Shipping, Packaging, International Transport, International Trade Control
1. The agreed prices are fixed prices (the "Price"). Where prices are not specified in the Purchase Order, they shall be stated in the order confirmation with binding effect. In this case the contract shall not come into being until we have given our written consent to the prices.
 2. Unless otherwise agreed in writing, the Prices shall include the packaging costs and of any and all taxes, levies, expenses, costs, risks and/or expected profits related to or in connection with the performance of the Purchase Order and transport to the forwarding address specified by ourselves or the place of use as well as costs incurred for customs and clearing formalities. Delivery shall be affected Delivered Duty Paid (DDP), Incoterms®2010. Any increases in shipping costs or whatsoever which occurred for any reason and without the prior written consent of the Purchaser, shall be borne by the Supplier.
 3. For the avoidance of doubt, unless otherwise specifically agreed in writing by Purchaser before approving the Purchase Order, the Supplier acknowledges and agrees that the Price shall include any and all required and accompanying parts, equipment, programs, know-how, data, code, information and/or components otherwise necessary for the proper operation of the Goods to the satisfaction of the Purchaser. The Supplier shall provide to the Purchaser's operator and maintenance representatives, employees, and designated staff, at the Supplier's sole expense, any and all applicable training information, materials, and tutoring required for the proper operation and maintenance of the Goods.
 4. Our ordered quantities shall be stated on advices of shipment, bills of lading, invoices and all correspondence with ourselves. ZIEHL-ABEGG will only be able to process



invoices whereas specified in our order – the ordered quantities shown therein are 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.

5. ZIEHL-ABEGG shall only be obliged to take delivery of the quantities or piece numbers ordered by the company for a specific time of delivery. Deliveries which exceed or fall short of the specified quantity shall only be permitted where previously agreed with ourselves (normally in writing).
6. Over shipments shall be held at the Supplier's sole risk and expense for a period of time not exceeding ten (10) days from the date of delivery. After such period of time has elapsed without the Supplier collecting the surplus Goods or sending instructions for shipment at the Supplier's expense, the Purchaser shall return the surplus Goods exceeding the ordered quantities to the Supplier at the Supplier's sole risk and expenses and risk.
7. The Supplier agrees that the Purchaser, at its sole discretion, may elect to purchase any or part of such over-shipments according to the terms of the applicable Purchase Order, and subject to these General Terms and Conditions of Purchase.
8. Shipment shall take place at the Supplier's risk. The risk of any deterioration, including weather, corrosion, loading accidents, transportation or storage constraints, vibrations or shocks, or accidental perishing, shall thus remain with the Supplier until delivery to the forwarding address or forwarding office desired by ourselves. § 12 No. 3 of these General Terms and Conditions of Purchase apply with regard to the place of fulfillment.
9. The Supplier's obligation to take back packaging shall be governed by the statutory provisions. Goods shall be packaged, wrapped, packed, marked, labeled and otherwise prepared for shipment in such a manner with good commercial practices acceptable to common carriers for shipment at the lowest rates and adequate to ensure safe arrival of the supplies at the named destination 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. Where we are separately charged for packaging by way of exception, ZIEHL-ABEGG shall be entitled to return said packaging carriage paid against reimbursement forming the subject of individual negotiation with the Supplier. The Supplier shall be financially responsible for any damage of all kinds and nature (breakage, missing items, partial damage, etc.) to the Goods as a result of inappropriate or inadequate packaging.
10. A delivery note and a goods tag must be included with every shipment. The delivery note must contain the following data, the total of the delivery quantity and all data indicated in the order, especially order number, item and the correct unloading point. The goods delivery must be labelled as follows: Total shipment of all packing units per delivery note; The individual packing unit (e.g. pallet, skeleton box, container, large box, etc.) by necessary label; The part/partial quantity therein (bag, roll, packet, etc.) labeled with quantity and drawing number according to the technical specification. Further information can be found under at the Supplier portal at <https://www.ziehl-abegg.com/en/organisation/supplier-portal>.
11. 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 the Purchaser's and the Vendor's contact persons who are familiar with the transaction; Purchaser's order/purchase order number, Purchaser'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 or Incoterms@2020 and designated location, in addition to the country of origin and customs tariff number of the goods. Moreover, all goods and services provided by the Purchaser to the Vendor 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.
12. Where agreements exist between the destination country to which the goods are to be delivered and the country in which the Vendor is based in respect of preferential treatment in terms of commerce or customs duties ("trade agreement"), the Vendor shall be obliged to cooperate with the Purchaser in examining the eligibility of goods for special programs of benefit to the Purchaser and to supply the Purchaser with the necessary documentation/certificates of origin 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 programs which is applicable to the scope of the purchase order and this is deemed by the Purchaser to be of benefit to himself at any time during its execution, the Vendor shall be obliged to support the Purchaser in his efforts to realize such benefits, including the value of any countertrades ensuing from the purchase order or set-off, and the Vendor shall acknowledge that such benefits and preferential treatment shall solely accrue to the Purchaser. The Vendor shall be obliged to

indemnify the Purchaser for any costs, fines, contractual penalties or charges resulting from the Vendor's inaccurate documentation or failure on the part of the Purchaser to cooperate in a timely manner. The Vendor shall be obliged to immediately notify the Purchaser of any errors known to exist in the documentation.

13. Where 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.

14. International Trade Controls

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

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

1. The Supplier is obliged to inform us of any approval obligations for (re-)exports of his goods in accordance with applicable laws and Client regulations as well as the export and customs regulations of the country of origin of his goods in his business documents. For this purposes, the Supplier shall provide the following information at least in his quotes, order confirmations and invoices for the items of goods concerned:
 - the export list number according to appendix AL to the corresponding Foreign Trade Directive 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) (if any);
 - 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 (if any);
 - the statistical goods number (HS-code) of his goods, as well as
 - a contact in his company for clarification of any inquiries by us.
2. The Supplier undertakes to fully co-operate with the Purchaser and to provide the Purchaser, at the Purchaser's first request, any such information and/or data and/or documents and/or confirmations and/or updates as may be necessary to evidence the Supplier's strict compliance with any and all such relevant international standards, laws, regulations, directives, recommendations and decisions.

The Supplier agrees that the warranties specified herein shall be in addition to any warranties implied by law or expressly granted by the Supplier other than as specified herein and in addition to any other warranties, regardless of whether express or implied, as applicable to the relevant purchase.

3. The warranties shall continue in full force and effect and shall survive any inspection or test, regardless of any acceptance and/or payments by the Purchaser, as well as any termination and/or expiration of Purchase Orders or of agreements related to Purchase Orders.
4. Supplier Declarations, Preference

An essential part of the contracts ensuing from these Terms and Conditions of Purchase is the obligation to submit long-term delivery declarations for goods with a preferential origin property 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.
5. 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.
6. 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.
7. 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 Invoicing and Payment

1. The Supplier shall invoice the Purchaser according to the invoice schedule set out in Purchase Order (Hereinafter referred as to "Invoice"). The invoice shall in paperless form with the appropriate documents in pdf format to the following e-mail address: invoice@ziehl-abegg.com.vn. Alternatively, the invoices should be sent to Purchaser in single copy on white paper in DIN A4 format. All invoices must be made out without exception to the invoice address in Vietnam: ZIEHL-ABEGG VIETNAM COMPANY LIMITED, Factory No.8 and No.9, Road No.3, Nhon Trach II – Nhon Phu Industrial Park, Phu Hoi Commune, Nhon Trach District, Dong Nai Province, Vietnam.



2. Invoices sent by fax will not be processed!]. Invoices shall include references to the Purchase Order number, quantity and description of supplied Goods, date and reference of delivery notice. Invoices shall be accompanied by all the necessary supporting documents.
3. Unless otherwise stated in the Purchase Order, the Supplier shall issue one Invoice per order. Unless a different invoicing address is specified, Invoices shall accompany the Goods. Invoices that do not comply with the abovementioned conditions shall be treated by the Purchaser as null and void and shall be returned to the Supplier.
4. Unless otherwise agreed in writing, the payment term of any Invoice shall be determined by the Purchaser; provided that, if applicable mandatory laws require earlier payment, the payment term shall be adjusted so as to satisfy such requirement.
5. Invoices not submitted in due form shall not establish a due date for payment and shall only be deemed to have been received by ourselves 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.
6. Payment shall be made by the normal commercial route, either within 14 calendar days with 3% discount or up to 90 days net, calculated according to delivery/service and receipt of invoice.
7. Prior payment shall not constitute Purchaser's acceptance of the Goods. The acceptance of any item shall not relieve Supplier from any obligations, representations or warranties hereunder or pursuant to any other agreement between the parties, Purchase Order and/or Purchaser specifications or requirements.
8. Unless otherwise agreed in writing, the payment term of any Invoice shall be determined by the Purchaser; provided that, if applicable mandatory laws require earlier payment, the payment term shall be adjusted so as to satisfy
9. 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.
10. We shall hold a right of set-off and retention to the extent as provided by the statutory provisions.

§ 6 Delivery Dates, Time Schedule, Delay in Delivery and Force Majeure

1. The delivery date specified in the order shall be binding. The Supplier's acceptance of the Purchase Order shall constitute the Supplier's irrevocable commitment to meet the time schedule and delivery date(s) set therein.
2. The time schedule and delivery date(s) specified in the Purchase Order are of the essence and may be changed only by written agreement signed by both Parties.
3. Early deliveries shall not be accepted by the Purchaser unless otherwise agreed by prior written notice. In any case, the Supplier shall not be entitled to any bonuses or extra payments for any early delivery.
4. The Supplier is obliged to inform us immediately 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.
5. In the event of any delay in delivery we shall hold the statutory claims in this regard. In particular ZIEHL-ABEGG shall be entitled to demand compensation instead of performance following fruitless expiry of a period of time of reasonable length. ZIEHL-ABEGG shall additionally be entitled in the case of default to withdraw from the contract at its discretion, whereby the risk of default on the part of the Supplier's sub-suppliers shall be borne by the Supplier. Any additional costs incurred for express shipment required to comply with delivery dates shall be for the Supplier's account.
6. In the event of delayed delivery ZIEHL-ABEGG shall be entitled to apply a contractual penalty amounting to 0.2% of the net total value of the order per working day of delay up to a maximum of 8% of total value of delayed batch. At any time during its execution, ZIEHL-ABEGG may also apply the penalty against the Supplier without making reservation until the issue of the final invoice. Any claim to compensation in addition to penalty due to non-performance by Supplier shall be offset against payment.
7. The Supplier shall only be entitled to claim against absence of provisions to be made by us or other co-operation obligations if he has reminded us in writing and ZIEHL-ABEGG has failed to meet these obligations within a reasonable period of grace.
8. Force majeure and industrial disputes shall release Purchasers from our obligation of performance for the duration of the disturbance and to the extent of its involvement.

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.

9. 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.

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

1. 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 this 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.

The statute of limitations for claims under the aforementioned guarantee is exclusively governed by the statutory statute of limitations regulations according to applicable laws

2. The Supplier shall be solely and exclusively responsible and liable towards the Purchaser and towards any third party for any physical injury, property damage or any other damage, loss, liability or prejudice arising from performance by the Supplier or the Supplier's employees, agents, distributors and/or subcontractors, of the Supplier's obligations under the Purchase Order or these General Terms.
3. The Supplier shall take out and make all necessary arrangements to purchase adequate insurance policies to cover any liability that might arise in connection with the Purchase Order, and hereby agrees to indemnify and hold the Purchaser harmless against any such damage, cost, expense and/or liability.
4. The Supplier will procure the above-mentioned insurance policies solely at its own expense, commencing from the date of the Purchase Order and/or date of signing of any purchase agreement.

5. The Supplier acknowledges and undertakes that the insurance will remain in full force and effect for forty eight (48) months after the performance of the Purchase Order.
6. The insurance policies, their content and scope of coverage, shall strictly conform to the Purchaser's standard instructions to suppliers, and shall be considered an integral part of the agreement between the Parties and of these General Terms and Conditions of Purchase.
7. 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 Purchaser's request.
8. The Supplier shall ensure that his public liability insurance accepts the aforementioned amendment of the statutory liability provisions without impairing the existing cover offered by his public liability insurance. The Contractor shall at the Client's request immediately furnish certification to this effect from his insurers.
9. 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. It shall explicitly reserve the right to claim compensation, in particular to compensation in lieu of performance.
10. 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.
11. The limitation period for claims in respect of material defects shall be 02 (two) years, calculated from the transfer of risk.
12. The provisions of the above paragraph do not apply to the limitation of claims under the guarantee mentioned under § 8 of this General Terms and Conditions of Purchase



13. For improved parts or for replacement delivery the limitation period for claims in respect of material defects shall begin after subsequent fulfillment; if acceptance has been agreed, the limitation period shall begin again from successful acceptance.
14. The Contractor shall assume the costs and risk involved in the return of defective items, as well as those costs incurred by the Client due to their defectiveness (in particular costs of processing, transport, infrastructure, labor, staffing and materials).
15. No worsening of the Client's position in comparison with procurement from the manufacturer (dealer issue).
16. If the Contractor is to be qualified as a dealer and not as a manufacturer, the Contractor will inform ZIEHL-ABEGG of this immediately. The following shall also apply:
 - The Contractor guarantees that the Client will be put in a position with respect to the warranty and other rights based on a defectiveness (material and legal defects) of the object of the contract as if the Client had ordered directly from the manufacturer and the legal rights at least are pertinent.
 - The Contractor shall surrender his claims against the manufacturer(s) based on a defectiveness (material and legal defects) of the object of contract to the Client to help. The Contractor assures that these claims are not fulfilled or excluded.

§ 8 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. 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.
2. Where the Supplier is responsible for a product defect, he shall be obliged upon first demand to indemnify ZIEHL-ABEGG in respect of third-party claims for compensation where the cause can be attributed to his own sphere of management or organisation and where the Supplier bears or would bear liability vis-à-vis third parties.

Within the scope of his liability for damages in the aforementioned sense, the Supplier is also obliged to reimburse any expenses incurred by us 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.

3. 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 or an equivalent insured amount in Vietnam Dong for each instance of personal injury/damage to property on a lumpsum basis for the term of the present agreement, i.e. until expiry of the limitation period for the relevant defect; 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.

§ 9 Property Rights

1. The Supplier guarantees, warrants and undertakes that all deliveries are free of thirdparty property rights and in particular that delivery and use of the subject of delivery does not infringe patents, license, industrial patent right, copyright, mask work right or any other industrial and/or intellectual property right or interest of any third party. The Supplier guarantees that it has full right to use, produce, manufacture, market and sell the Goods and that following the performance of the Purchase Order the Purchaser shall have full right and title to the Goods, and shall be fully entitled to utilize, manufacture, improve, use, sell, market, and resell any and all of the Goods, as well as any parts and/or components thereof.
2. The Supplier agrees to hold the Purchaser, its directors, officers, employees, agents, dealers, distributors, customers or the users of Goods harmless against any claim or action for infringement of a third party industrial or intellectual property right.
3. The Supplier shall indemnify ZIEHL-ABEGG and our customers in respect of third-party claims in connection with such demand, suit, claim and/or action, including reasonable attorney fees and expenses, and to fully and completely indemnify the Purchaser for any damage, loss, expense and/or prejudice suffered by the Purchaser as a direct or indirect consequence of such demand, suit, claim and/or action resulting from any infringement of property rights on first demand.
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. The limitation period for claims in respect of defects as to title shall be 5 years from the transfer of risk.

§ 10 Terms and Termination

1. These General Terms and Conditions of Purchase shall have an indefinite duration.
2. The Purchaser may terminate, cancel, revoke, amend, modify and/ or update these General Terms and Conditions of Purchase at its sole discretion and for any reason and purpose whatsoever, with prior written notice to the Supplier.
3. The Purchaser shall have the right to immediately terminate, cancel and/or revoke any and all Purchase Orders, as well as any parts or components thereof, without compensation or penalty to the Supplier, at the following events: (i) the Supplier fails to acknowledge and confirm the Purchase Order; (ii) the Supplier fails to deliver the Goods and/or perform any and all services, to the satisfaction of the Purchaser, within the time schedule set in the Purchase Order, and such delay persists for more than one (1) week, without the prior written approval of the Purchaser; (iii) the Supplier fails to comply with the warranty obligations as described herein, in the Purchase Order and accompanying documents, and as may be express or implied according to the applicable legal rules, regulations, and international trade standards; (iv) the Supplier unreasonably withholds its consent to any Purchase Order changes as requested by the Purchaser in accordance with § 3 above; (v) the Supplier is in breach of any of its obligations arising from these General Terms and Conditions of Purchase or from the agreement between the parties and such breach is not cured within ten (10) days from the Purchaser's written notice; (vi) a proceeding under insolvency, bankruptcy or similar laws has been initiated against the Supplier for whatever reason; or (vii) an occurrence that constitutes a circumstance of Force Majeure.
4. Upon receipt of the Purchaser's Purchase Order termination letter the Supplier shall immediately stop the manufacturing activities and shall make any reasonable efforts and arrangements to minimize any costs.
5. Any and all disputes in connection with the termination of Purchase Order, shall be amicably negotiated and settled by the mutual agreement of the Parties, taking into account the time of termination, the work already carried out, the costs and expenses already sustained by either of the Parties under the terminated Purchase Order, as well as the possibility to sell the Goods to other customers.

§ 11 Social Responsibility and Environmental Protection, Business Partner Code of Conduct

1. The Supplier shall be obliged to comply with the applicable laws on .
2. 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.
3. The Supplier confirms that he will not tolerate any form of corruption and bribery or to engage in same in any manner whatsoever.
4. 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.
5. 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. ZIEHL-ABEGG may be subject to liability from ZIEHL-ABEGG may be subject to liability from Claims or Reports relating to a breach of the employment regulations if and insofar as the Supplier or his Subsuppliers infringed Civil Code or other relevant legislations. Supplier shall therefore guarantee that Supplier and Subsupplier shall bear any expenses and compensation accrued from the employment violation and release ZIEHL ABEGG from any claims combining to mentioned accusations. 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/bpcoc-en. 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.:
7. 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.

8. 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.
9. 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.
10. 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.

5. The language of the contract shall be English and Vietnamese. If the contract parties use another language in addition the English wording shall have priority.

6. The Contract Partners shall attempt to resolve any disputes arising out of this Agreement by negotiation and conciliation. In case the Contractor is legally established in Vietnam and if the dispute cannot be resolved in this manner within a reasonable time, it shall be referred to and finally resolved by Vietnam International Arbitration Centre ("VIAC") at HCM. In such a case, each Party to the arbitration shall, in accordance with the said rules, appoint one (1) arbitrator and the arbitrators so appointed by the Parties shall in turn mutually select one (1) additional arbitrator. The place of arbitration shall be at VIAC's office in Ho Chi Minh City, Vietnam and the proceedings shall be conducted in the English language. The award shall be final and legally binding on the Contract Partners.

7. While any dispute is being resolved, the terms and conditions of this Agreement shall continue to bind the Parties and the Parties will continue to perform and observe this Agreement.

8. The applicable legal jurisdiction, laws and regulations in connection with the Purchase Order and/or the agreement between the Parties and/or these General Terms and Conditions of Purchase, shall be determined in accordance with the Vietnamese laws excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

§ 12 Final Provisions

1. The Supplier shall not be entitled without our 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 subsuppliers intended by the Supplier.
2. For the avoidance of doubt the Supplier acknowledges and agrees that it shall indemnify and hold the Purchaser harmless against any and all claims of the Supplier's respective contractors and/or suppliers.
3. Unless agreed otherwise, the place of fulfilment for the delivery obligation the forwarding address or forwarding office desired by ourselves; for all other obligations of both parties the place of fulfilment is Vietnam or a designed location agreed by Purchaser in Purchase Order or other agreement.
4. Severance. In the event that any provision or any sections and sub-sections thereof contained in these General Terms are held unenforceable, the remaining provisions, sections and subsections shall nevertheless continue in full force and effect.

The Royal League

