

14.2.1 General Purchasing Conditions of Kverneland Group Soest GmbH

1. These General Purchasing Conditions (AEB) shall apply to all business relationships with our business partners and suppliers. The General Purchasing Conditions shall only apply if the seller is an entrepreneur (§ 14 of the German Civil Code), a legal entity under public law or a special public asset.
2. The General Purchasing Conditions shall apply, in particular, to contracts relating to the sale and/or delivery of movables (hereinafter also called "goods"), irrespective of whether the seller manufactures the goods himself or purchases them from suppliers. The latest version of these General Purchasing Conditions shall also apply, as a general agreement, to future contracts relating to the sale and/or delivery of movables with the same seller without us having to refer to these General Purchasing Conditions again in every individual case. We shall immediately inform the seller about any changes to our General Purchasing Conditions.
3. The General Purchasing Conditions shall apply exclusively. Any different, contrary or supplementary General Terms and Conditions of the seller shall therefore only become an integral part of the contract if we have expressly approved their validity in writing. This approval requirement shall always apply, e.g. whenever we accept deliveries from the seller without reservation in knowledge of the seller's General Terms and Conditions.
4. Individual agreements concluded with the seller in an individual case shall always take precedence over these General Purchasing Conditions. A written contract and/or our written confirmation shall apply to the contents of these agreements.
5. Legally relevant declarations and notices, which the seller has to submit to us after the conclusion of the contract (e.g. notices granting a period of grace, warning letters, notices of withdrawal), shall be effected in writing in order to become legally valid.
6. References to the validity of statutory regulations shall only have a clarifying function. Even without such clarification, statutory regulations shall therefore only apply if they are not directly changed or expressly excluded in these General Purchasing Conditions.
7. Separately negotiated terms and conditions shall apply to group contract suppliers (group suppliers) according to a separate written contract.

I. Offers

The supplier shall adhere precisely to the inquiry in regard to the designation of the quantity and state (material) of the goods in the offer and shall expressly refer to any differences.

II. Orders/Order Confirmations

Only signed written orders shall be valid. We shall not be obliged to accept oral and telephone agreements which are not confirmed in writing. Every order shall be confirmed by the supplier immediately, but at the latest 3 days after receipt of the order. Our Purchasing Conditions shall be accepted through this confirmation and may not be cancelled through different conditions of the supplier, unless we have accepted them. We shall reserve the right to withdraw from unconfirmed orders. If an unconfirmed order is processed, the terms and conditions stipulated on our order form shall apply exclusively.

1. During the period of validity of cost estimates, they shall form a binding basis for resulting orders. Unless otherwise expressly agreed, cost estimates shall not be remunerated.
2. Documents used by the contractor in business transactions with the principal shall contain at least the following information: order number, commission number, name of plant, receiving station, complete article text/description of object, quantities and quantity units, as well as the VAT registration number (in the case of imports from the EU).
3. If the contractor does not accept the order within two weeks after its receipt, the principal shall be entitled to cancel the order.

III. Prices

The prices shall be binding fixed prices. Prices shall include everything which the contractor has to do in order to comply with his delivery/service obligation.

IV. Delivery Period

The delivery period shall commence on the date of receipt of the order and shall be binding.

The seller shall be obliged to inform us immediately in writing if he is unlikely to comply, for whatever reason, with agreed delivery periods. If our requested delivery date cannot be met, the supplier shall state this immediately specifying the reasons and the provisional delivery date. We shall reserve the right to adjust the delivery time to the current order situation according to our operational needs, i.e. to bring forward or extend delivery dates. In accordance with the German Commercial Code, we shall also reserve the right to pass on to the supplier any downtime costs or additional costs for goods which are delivered too late in spite of confirmation and an additional warning.

The scope of supply/services shall include the following provision for example: the contractor shall transfer to the principal ownership of all technical documents (also for subcontractors) and other documents required for new production, maintenance and operation. These technical documents shall be drafted in German according to the international standard system SI; all supplied drawings and technical documents shall be the property of Kverneland Group Soest GmbH. If attached, the latest drawing relating to an order of a drawing part shall be valid. Old drawings shall then be destroyed. Although changes to drawings shall normally be notified separately, attached drawings shall be checked by the contractor for possible updates by us before the start of production.

- The contractor shall transfer to the principal all utilisation rights which are necessary for use of the goods/services by the principal or third parties with regard to any patents, supplementary protection certificates, trademarks, utility models;
 - The contractor shall give an assurance that the utilisation rights to be transferred can actually be transferred, i.e. free of third-party rights;
 - The principal shall have unlimited power to personally make repairs and changes to the accepted goods/services, or have them carried out by third parties; the principal shall also have unlimited power to personally manufacture spare parts or have them produced by third parties. A contractor shall not be permitted to supply third parties with drawing parts which he delivers to members of the Kverneland Group; otherwise, the written approval of the Kverneland Group shall be required.
1. In the event of deviation from the agreed scope of supply/services, the contractor shall only be entitled to make additional claims or date changes if a corresponding written supplementary agreement was concluded with the principal beforehand.
 2. The ordered quantities shall be binding. In the event of excess deliveries/services, the principal shall be entitled to reject them to the detriment of the contractor and at the latter's expense.

V. Quality

1. The contractor shall set up and maintain a documented quality assurance system which is suitable in terms of its nature and extent, and corresponds to the latest state of the art.. The contractor shall prepare records, especially regarding his quality inspections, and shall submit them to the principal on request.
2. The contractor shall hereby accept quality audits to be performed by the principal or a representative appointed by the principal in order to evaluate the effectiveness of the contractor's quality assurance system.
3. The contractor shall comply with the stipulations and measures from the REACH Regulation in regard to all materials, preparations and products supplied to the principal.

VI. Delivery/Performance and Storage

1. If the contractor and principal agree that one of the international trade clauses "Incoterms" formulated by the International Chamber of Commerce (ICC) applies to the contract, the latest version shall be authoritative. They shall only apply if they do not conflict with provisions of these General Purchasing Conditions and the other concluded agreements. Unless otherwise agreed, the goods/services shall be "delivered/supplied duty paid" according to Incoterms to the place of delivery/performance or place of use shown in the order.
 2. The goods/services shall be supplied to the stipulated dispatch addresses. Delivery to/performance at a receiving station other than that stipulated by the principal shall also lead to a transfer of risk to the detriment of the contractor if this station accepts the goods/services. The contractor shall pay the principal's additional costs arising from delivery/performance at a receiving station other than that agreed.
 3. Partial deliveries/part performances shall not be permitted, unless the principal has expressly approved them. Partial deliveries/part performances shall be designated as such; two copies of delivery notes/certificates of performance shall be presented.
 4. If weighing is necessary, the weight ascertained on the calibrated scales of the principal shall apply.
 5. If the contractor is entitled to the return of the packaging required for the goods/services, the delivery notes/certificates of performance shall be clearly marked to this effect.. If the documents are not marked accordingly, the principal shall dispose of the packaging at the contractor's expense; in this case the contractor's entitlement to the return of the packaging shall no longer apply.
 6. Items which are required to supply the goods/services at the principal's premises may only be stored on assigned areas. The contractor shall bear the entire responsibility and risk for these items up until the passing of risk for the entire order.
 7. During transportation legal regulations, especially the provisions of the Law on the Transport of Hazardous Goods and the applicable Hazardous Goods Ordinances, including the respective annexes and appendices, shall be observed.
 8. When transported by rail, the goods shall be declared in the consignment notes according to the latest regulations of the railway companies. Costs and damage caused by an incorrect declaration or the lack of a declaration shall be paid by the contractor.
 9. The supplier of goods/services shall arrange for the stipulated receiving station to confirm the receipt of consignments in writing.
 10. If the principal agrees to pay the freight costs, any auto freight shall be charged to us both for works trucks and outside trucks with the goods invoice; special freight charges by forwarding agents are unwanted, and cash payment of the freight to the deliverer shall not be affected under any circumstances. The goods shall be packed and dispatched separated according to the receiving plants. Mixed loads of goods for different plants in one consignment shall only be permitted with our prior written approval.
- The order number and the order date shall be shown on all consignment notes and other goods accompanying documents, as well as on dispatch notices and invoices. Two copies of dispatch notices shall also always be issued by subcontractors and shall be definitely sent to us on the date when the goods are dispatched.

VII. Shipping Documents/Delivery Notes/ Documentation

(Long-term supplier's declaration (LSD))

The following order information shall also definitely be noted on all shipping documents, delivery notices, waybills, delivery notes, invoices, etc.

- Our order number
- Our reference number

- Precise designation of the goods according to our order text
- Name of the principal/orderer (= contact person)
- Additional texts or comments which refer, for example, to the unloading point, department or assembly line if we stipulated them.
- If requested by us, the supplier shall deliver his goods with measurement reports. He shall hereby confirm the perfect condition of the goods.

VIII. Passing of Risk

Risk shall pass at the time of unloading, unless ownership of the goods is passed to us directly. If the goods are stored temporarily in a victualling warehouse of the supplier until we call them off, they shall remain the property of the supplier until they leave this warehouse. Risk shall pass at the warehouse door.

IX. Performance, Subcontractors, Assignment

1. The contractor shall not be entitled to transfer full or partial performance of the particular contract to third parties.
2. The contractor shall be obliged to inform the principal about the names of his subcontractors at the request of the principal.
3. The contractor may not assign his contractual claims against the principal to third parties or have these claims collected by third parties. This provision shall not apply to legally binding claims or undisputed claims.

X. Termination

1. Even if the particular contract is not a work contract, the principal shall be entitled to terminate all or part of the contract. In this case the principal shall be obliged to pay all goods/services supplied up until that point in time and to suitably remunerate purchased materials and supplied work; § 649 sentence 2 half-sentence 2 of the German Civil Code shall also analogously in this case. Any further claims by the contractor shall be excluded.
2. The principal shall also be entitled to terminate the contract if an application is made to open legal insolvency proceedings against the contractor's assets or the contractor stops making payments. This provision shall also apply if the contractor does not fulfil claims of his suppliers. The principal shall be entitled to accept material and/or semi-finished products, including any special means of production, according to reasonable terms.
3. This shall not affect the right of both contracting parties to terminate the contract for good cause without giving notice.

XI. Invoices

Two copies of invoices shall be sent separately by post, etc. on the date of dispatch of the goods; invoices shall never be included with a consignment, unless this is necessary for customs or import purposes. We wish to point out that the processing and payment of invoices will be delayed if the information shown under § 6.1 is missing.

XII. Payment Terms

Unless otherwise agreed, our payment terms shall be 90 days net. If the invoice is not issued simultaneously on the date of delivery, the payment period shall begin at the earliest on the date when the invoice is received. If the invoice date differs by more than 5 days from the date of receipt of the invoice, we shall reserve the right to make payment of the invoice based on the value on the date of receipt.

XIII. Complaints

1. If the supplied products are found to contain deviations, the supplier shall be obliged to rectify the damage free of charge. This may take the form of immediate rework or cost-neutral replacement of parts. If this is impossible due to time reasons, rework by Kverneland Group Soest shall become necessary; this rework shall lead to a charge (or a credit note) for the supplier. The amount of this charge (credit note) shall be passed on to the supplier as soon as it has been calculated. This supplier shall acknowledge our complaint.
2. Even in the case of goods where defects were not ascertained during the incoming goods inspection (hidden defects), the supplier shall provide, according to our choice, either free replacement of the defective goods or a corresponding discount. In the case of hidden defects, we shall not accept under any circumstances objections due to the failure to report the defects on time.
3. Defect liability claims
 - 3.1. The contractor shall give an assurance that his goods/services have the agreed state and fulfil the intended utilisation purpose. If the principal incurs costs as a result of defective delivery/performance, e.g. transport costs, travelling expenses, labour costs, material costs or contractual penalties, the contractor shall pay these costs..
 - 3.2. The period of limitation of defect liability claims shall commence with complete delivery/performance of the scope of supply/services or, if acceptance has been agreed, on the date of acceptance.
 - 3.3. Defect claims shall become statute-barred in 36 months; longer statutory limitation periods shall not be affected. In the case of newly supplied or reworked parts, the limitation period shall start again if the debtor has not expressly rectified the defect only as a gesture of goodwill. The principal shall make an immediate complaint concerning defects. Unless otherwise agreed in writing, the complaint shall be deemed to have been made immediately if it is received by the contractor within a period of seven working days calculated from the date of receipt of the goods or, in the case of hidden defects, from the date of their discovery. In

the case of defects forming the subject of complaint within the limitation period, the period shall end at the earliest six months after the complaint has been made. The contractor shall waive objection to a delayed formal complaint (§ 377 and § 381 (2) of the German Commercial Code) for all other than obvious defects. "The three-year limitation period shall also apply analogously to claims arising from legal defects, whereby the statutory limitation period for real claims of restitution of property of third parties (§ 438 (1) No. 1 of the German Civil Code) shall not be affected; claims arising from legal defects shall also never become statute-barred as long as the third party can still enforce the claim against us - especially because it is not yet time-barred."

3.4. All defects forming the subject of complaint within the limitation period shall be rectified by the contractor immediately so that the principal does not incur any costs. The contractor shall pay the costs of rectifying the defect or of replacement delivery/substitute performance, including all incidental costs (e.g. freight). If the contractor does not start to rectify the defect as soon as a defect notice has been received or does not rectify this defect within a period of grace granted by the principal or does not effect performance according to the terms of the contract or if an urgent case exists, the principal shall be entitled to carry out the necessary measures at the contractor's expense. The statutory rights of withdrawal from the contract, reduction in the purchase price or payment of compensation shall not be affected. In the event of withdrawal from the contract, the contractor shall pay the costs of rectification and return transport. If necessary, the contractor shall also be responsible for any necessary disposal and the costs of this disposal. If the contractor instigates a recall action, he shall be obliged to pay the costs in this respect.

XIV. Producer's Liability

1. If the seller is responsible for product damage, he shall release us from third-party claims in so far as the cause lies in his field of control and organisation, and he is liable himself in external relations.
2. As part of his exemption obligation, the seller shall reimburse expenses according to § 683 and § 670 of the German Civil Code that arise from or in connection with a third-party claim, including loss of implemented recall actions. If possible and reasonable, we shall inform the seller about the content and extent of recall measures and shall give him an opportunity to make a statement. Any further legal claims shall not be affected.
3. The seller shall conclude and maintain product liability insurance with a flat-rate cover sum of at least €2,000,000 for each case involving personal injury/property damage/financial loss."

XV. Packing

The agreed prices shall include packing according to our guide for our suppliers. Unless otherwise agreed, we shall not accept separate packing costs.

XVI. Other Provisions

1. The place of performance for all goods/services shall be the receiving station stipulated by the principal.
2. If one of the clauses of these Purchasing Conditions or one clause in our other contractual agreements is or becomes invalid, the validity of these other clauses/agreements shall not be affected. In this case the contracting parties shall be obliged to replace the invalid clause by a clause which comes as close as possible to the invalid clause in economic terms.
3. Data protection. In accordance with § 33 of the German Federal Data Protection Act, the principal wishes to point out that he will store data relating to the contractor based on this Act.
4. Applicable version. The German version of these General Purchasing Terms shall apply.

XVII. Choice of Law and Place of Jurisdiction

1. German law shall apply to all legal relations between the principal and contractor to the exclusion of the rules of conflict of international private law and the UN Convention on the International Sale of Goods. The principal's Purchasing Conditions shall apply exclusively. The principal shall not accept any different terms of the contractor, unless the principal has expressly agreed their validity in writing.
2. If the seller is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special public asset, the sole - also international - place of jurisdiction for all disputes arising from the contract shall be our place of business in Soest. However, we shall also be entitled to take legal action at the place of performance of the delivery obligation.