



Purchasing Terms and Conditions 368_01 EN

1. Scope of Application; German Law

- 1.1. Our Purchasing Conditions apply exclusively. They shall also apply for all future business dealings, even if they are not explicitly agreed upon again. We shall not recognise any purchasing conditions that are contradictory to ours or that deviate from our Purchasing Terms and Conditions unless we have expressly approved the same in writing.
- 1.2. Our Purchasing Conditions shall also apply if – despite knowledge that the supplier's purchasing conditions differ from our own – we accept the supplier's delivery without reservation.
- 1.3. It is understood that the laws of the Federal Republic of Germany are applicable.
- 1.4. These general purchasing terms and conditions only apply vis-à-vis entrepreneurs, legal entities under public law or a special fund under public law within the sense of §310, Section 1 of the German Civil Code ("BGB").

2. Commission

- 2.1. Our purchase order is authoritative for conclusion of the order, irrespective of the supplier's quotation. The supplier shall accept our order within a period of 2 weeks. A delayed acceptance shall be deemed a new offer.
- 2.2. The supplier's order confirmation must indicate the price, the discount rate, the earliest binding delivery date, plus all identification numbers and references included in our purchase order. Any deviations from the order require our written confirmation; they are otherwise not binding for us and are deemed to constitute a new offer.
- 2.3. Ancillary oral agreements reached in association with conclusion of the contract are not binding for us unless we have expressly confirmed them in writing.
- 2.4. Orders are considered placed under the express condition that the supplier neither promises nor grants our employees or workers or any third parties benefits in connection with us placing an order.

3. Delivery

- 3.1. The delivery date specified in the order is binding. The supplier must inform us in writing immediately if circumstances arise which cause the supplier to believe that the agreed delivery date cannot be met.
- 3.2. In the event that we are informed of a new delivery date, our rights to rescind from the contract and to claim compensation shall be determined by statutory regulations.
- 3.3. In the event of delayed delivery, we are entitled to exercise our statutory rights. In particular, we are entitled to claim damages in lieu of performance if a reasonable period of grace has expired without fulfilment.
- 3.4. If a contractual penalty has been agreed for the event of delayed delivery and if this penalty becomes due, we can – contrary to §341 Section 3 of the German Civil Code (BGB) – claim the penalty until the invoice has been paid in full.
- 3.5. Premature and/or partial deliveries and services require our consent.

4. Prices, Terms of Payment

- 4.1. The prices quoted in the purchase order are binding. If not specified otherwise in writing, the price includes "franco domicile" delivery and packaging. Return of the packing material requires a special agreement.
- 4.2. Unless expressly specified otherwise, our prices include shipping, customs duties, taxes and other charges.

- 4.3. Invoices are to be issued immediately upon delivery. They must include our order number as indicated in our order. In addition, the invoice will only be considered correct if it contains the details required under §14 Section 4 of the German Value-Added Tax Act (UStG). If the invoice does not include the obligatory details required under §14 Section 4 of the German Value-Added Tax Act (UStG), then no payment is due based on the invoice. Consolidated invoices must be itemised. The supplier is responsible for any consequences which arise in connection with non-fulfilment of this obligation.
- 4.4. Unless otherwise agreed, payment less 2% discount will be made by us within 30 calendar days from the date of invoicing or delivery, whichever is later.
- 4.5. We are entitled at any time to exercise our rights to offset or retain payment in compliance with statutory provisions.

5. Shipping

- 5.1. The shipping advice is to be sent to us by post on the day of shipment and shall include the order number, account allocation, plus an exact itemisation of the consignment by quantity, parts number, and weight, etc. If the shipping documents do not include these details, the consignment will be stored on our premises at the expense and risk of the supplier until such time as documents containing this information are received. Packing slips and invoices do not count as shipping notes.
- 5.2. Unless otherwise agreed in writing, postal consignments must be pre-paid. Additional costs incurred by any unpaid postal consignments will be subtracted from the supplier's bill.
- 5.3. In the case of a price agreed on a specific freight basis or agreed to apply ex works, the supplier shall select the most price-favourable freight alternative, unless express agreement has been made to the contrary. If this is not done, the additional costs will be debited to the supplier.

6. Risks

- 6.1. The risk of shipment, loss or deterioration rests with the supplier until the delivery is accepted by us.
- 6.2. We will only accept costs for transport insurance if we have expressly requested the supplier to take this out on our behalf.

7. Duty of Inspection, Notification and Rejection

- 7.1. The supplier waives his right to object to a delayed notice of defects (§377 of the German Commercial Code (HGB)) if he receives our notice of defects within a period of 5 working days from acceptance of the consignment with respect to visible defects, and from discovery of any defects that were not visible upon acceptance.
- 7.2. There is no obligation of inspection if acceptance is agreed on. Otherwise, it depends to what extent an inspection is feasible within the ordinary course of business and under consideration of the individual circumstances.

8. Material Compliance

- 8.1. In the case of all goods delivered to us (substances, mixtures and products), the supplier is obliged to fully, properly and in due time comply with the relevant provisions of the EU Directive No. 1907/2006 (REACH). Under consideration of our respective intended application, this applies especially to registration at the European Chemicals Agency (ECHA) of substances in their own right or of those included in mixtures and products, the information should be in accordance with Article 31 ff. of REACH and comply with the prevailing authorisation duties and restrictions. If the supplier himself is subject to neither registration nor authorisation, he is obliged to secure the registration or authorisation of the subcontractors with whom he is legally bound in each case. Upon request, the supplier must prove to us in writing by means of supporting documents that the aforementioned stipulations have been observed provided that no other subclauses belonging to Clause 8 contain provisions that differ.
- 8.2. If the products – which constitute products in the sense of the REACH Directive – do not contain substances of high concern (SVHCs) as defined in Art. 59 in connection with Art. 57 REACH



in a concentration of over 0.1 weight percent, the supplier is obliged to also declare this (so-called negative declaration). In this respect, it must be declared whether the product contains no SVHCs at all or that the SVHCs contained are not in excess of the threshold value of 0.1 weight percent. In the latter case, the SVHCs must be named. Article 33 of the REACH regulation remains unaffected. The supplier informs us at our request of the exact concentration of the contained SVHCs. Information as defined in this clause must be provided in written form and free of charge and constitutes an integral component of the products.

- 8.3 The supplier is obliged as defined in Art. 33 REACH or in accordance with subclause 8.2 above to update an already submitted supplier's declaration pursuant to any changes made to the SVHC list within six months following delivery.
- 8.4 Immediately upon obtaining knowledge, but at the latest one month prior to the delivery date of the products which constitute products in the sense of the REACH regulation, the supplier is obliged to submit the information required for submission of a notification in accordance with Article 9, Paragraph 1 i) of the Waste Framework Directive 2008/98/EU to the e-mail address reach@alpine.hosokawa.com; insofar as the supplier himself is subject to the reporting requirement for the products, he is obliged to send the relevant SCIP number to the aforementioned e-mail address. Transmission of the information by other means (e.g. in the documents accompanying the products) is not permitted. Information as defined in this clause must be provided in written form and free of charge and furthermore constitute an integral component of the products.
- 8.5 The supplier must fulfil all relevant statutory requirements that apply to him and to the products as defined in the EU Regulation No. 1272/2008 (CLP Regulation) regarding classification, labelling and packaging prior to distribution of the products.
- 8.6 Under consideration of our respective intended application, the supplier ensures that the products delivered to us are also in line with the requirements of other material restrictions, especially the requirements as laid down in the EU Regulation No. 2019/1021 (POP) and the directive 2011/65/EU (RoHS). The supplier is obliged at our request to submit a corresponding written confirmation about this. We must be notified of any deviations from this subclause 8.6 – especially if laying claim to exemption clauses – prior to the delivery in question by presenting the relevant exemption provision, and we in turn must issue our written consent. In addition, the supplier shall ensure that all goods and products delivered to us are properly and completely labelled in accordance with the applicable regulations, especially as defined in the Directive 2011/65/EU (RoHS) and the Directive 2012/19/EU (WEEE).
- 8.7 In the event that the supplier has not fulfilled the aforementioned requirements and that as a result, we are faced with expenses in any form whatsoever, the supplier shall indemnify us for all costs and charges in this connection.

9. Liability for Defects

- 9.1. The goods must conform with the agreed quality, the statutory provisions, the relevant administrative regulations, the state of the art, the DIN standards and the relevant accident prevention regulations.
- 9.2. If not subsequently specified otherwise, the statutory provisions shall apply for our rights in the case of material and legal defects of the goods (including wrong and short delivery, improper assembly as well as inadequate assembly, operating or instruction manuals) and in the event of other breaches of duty by the supplier.
- 9.3. In deviation from §442, Paragraph I, Sentence 2, of the German Civil Code (BGB), we are entitled to unlimited warranty claims even if the defect remained undiscovered due to gross negligence at the time the contract was concluded.
- 9.4. The costs paid by the supplier for inspection and repair (including possible removal and installation costs) shall be borne by the supplier even if it transpires that there was no defect. Our compensation liability for unjustified fault correction claims remains unaffected; however, we shall only be liable if we recognised or failed to recognise due to gross negligence that there was no defect.

- 9.5. If the supplier fails to comply with his obligation to render supplementary performance – at our discretion by remedying the defect (subsequent performance) or delivery of a defect-free item (replacement) – within an adequate period of time set by us, we shall be entitled to remedy the defect ourselves and demand compensation or an advance payment from the supplier for the requisite expenses. If supplementary performance by the supplier has failed or is unreasonable for us (e.g. because of extreme urgency, endangerment to the operating safety or the imminent occurrence of disproportionate damage), there shall be no need to set a deadline. In such circumstances, we will inform the supplier immediately, if possible in advance.
- 9.6. Besides this, we shall be entitled to a reduction of the purchase price or to rescind the contract in accordance with the statutory provisions in the case of a defect of quality or title of the goods. In addition, we are entitled to damages and the reimbursement of expenses according to the statutory provisions.
- 9.7. The acceptance or approval of provided drawings does not constitute the waiver of our rights to claim damages for any defects. The supplier is obliged to notify us immediately in writing if items provided by us are impounded.

10. Product Liability

- 10.1. In as far as the supplier is responsible for a product defect, he is obliged to exempt us with respect to any third-party damage claims upon first request, provided that the cause of the defect is to be found in the supplier's own domain and organisation, and that he would be personally liable in relation to third parties.
- 10.2. In this connection, the supplier is also obliged to reimburse us for all costs incurred by or in association with any recalls we have carried out. As far as possible and reasonable, we will inform the supplier of the object and scope of the product recall and give him the opportunity to comment.
- 10.3. The supplier undertakes to take out product liability insurance with reasonable coverage of personal injury and property damage (at least €1.5 million per case of personal injury and €5 million per case of property loss). In the event that we are entitled to claim additional damages, these remain unaffected.

11. Prohibition of Circumvention

- 11.1. The supplier shall, like us, comply with all economic, trade or financial sanctions or embargos of the European Union and / or the Federal Republic of Germany (hereinafter collectively referred to as the „Sanctions“) existing at the time of conclusion of the order and / or delivery and shall not violate them. This also applies to economic, trade or financial sanctions or embargos of the United States of America, insofar as this does not conflict with legal provisions of the European Union and / or the Federal Republic of Germany.
- 11.2. We only conclude contracts with contractual partners who fully comply with the Sanctions and do not circumvent them. The supplier is obliged to inform us in detail and in writing when submitting the offer, but at the latest at the time of order confirmation, stating the relevant list item of any licensing requirements for its goods in accordance with the applicable German, European and US export and customs regulations and in accordance with the export and customs regulations of the country of origin of its goods.
- 11.3. If the supplier violates the obligations in this clause, we are entitled to withdraw from the contract. In this case, the statutory provisions on withdrawal shall apply.

12. Industrial Property Rights

- 12.1. The supplier warrants that the goods supplied by same do not infringe the protection rights of third parties, especially patent, design patent, utility-model patent or trademark rights.
- 12.2. Should a claim be made against us by third parties in this connection, the supplier is obliged to exempt us in respect of these claims upon first written request. The aforementioned entitlement does not exist if and as far as the supplier can prove that he is not responsible for the infringement of an industrial property right or that the infringement could not have been foreseen even under application of due commercial diligence at the time of delivery. Without the consent of the supplier, we are



neither entitled to recognise the asserted claims as valid nor to conclude a settlement with the third party.

- 12.3. The supplier's duty to indemnify relates to all costs and expenses which we necessarily incur as a result of or in association with third party claims.

13. Ownership of Documents

- 13.1. All illustrations, drawings, calculations and other documentation remain our property and may not be made accessible to third parties without our express consent. The copyrights remain with us.
- 13.2. The documentation and drawings we provide relating to the manufacture of goods may not be used by the supplier for any other purpose than our order. They are to be returned to us unbidden once the order has been completed. The supplier is not entitled to keep the documentation and drawings. Their contents are not to be disclosed to third parties.

14. Proprietary Rights to Parts, Models and Tools

- 14.1. In as far as we provide parts, models or tools to the supplier, these remain our property. The supplier processes or modifies these items on our behalf. We count as the manufacturer and owner if the items provided by us are processed or reworked by the supplier into a new movable item. If the items provided by us are connected or combined inseparably with other items, we are entitled to pro-rata co-ownership of the new product, i.e. to the extent of the value our items had at the time of connection or combination. Should this connection or combination be such that the new product constitutes more the supplier's property than ours, it is taken as agreed that the supplier grants us pro-rata co-ownership; the supplier undertakes to safeguard the co-ownership for us.
- 14.2. The supplier is not entitled to use the parts, models or tools for any purpose other than that of manufacturing the goods ordered by ourselves. The supplier is also obliged at his own expense to insure tools belonging to us against fire or water damage and theft at replacement value. The obligation also extends to carrying out at his own expense and in good time any maintenance, inspection or repairs that become necessary. The supplier is obliged to inform us of any faults or breakdowns. Should the supplier culpably fail to do so, he makes himself liable for damages in accordance with the provisions of the law.

15. Supplier Code of Conduct

- 15.1. The Supplier commits himself to review and fully comply with the provisions of the Hosokawa Alpine Supplier Code of Conduct. The document is attached to this terms and conditions.

16. Final Provisions

- 16.1. Should any individual provision of these purchasing conditions be or become ineffective, the validity of the remaining provisions shall in no way be affected.
- 16.2. The contract, any amendment or addition to the same and any other agreements must be recorded in writing in order to be effective. The assignment of any claims against us by the supplier to third parties is not permitted without our written consent.
- 16.3. The sole legal venue for all disputes arising directly or indirectly from the contractual relationship is Augsburg. We are, however, entitled to choose the supplier's legal venue.



Supplier Code of Conduct 1_01 EN

1. Foreword

Sustainability is an integral part of the business strategy for the HOSOKAWA ALPINE Group and all of its affiliated companies (hereinafter referred to as: HAAG), Global procurement of raw materials, goods and services forms an integral part of our business operations so as to ensure the success of our customers while also meeting sustainability goals using innovative product and service solutions. We assume that our business partners will comply with this agreement, taking the local legal requirements and laws into account. In this context, HAAG follows a zero-tolerance policy on unethical business.

By entering into a business relationship with HAAG, the supplier also undertakes to comply with the HAAG Supplier Code of Conduct. HAAG reserves the right to conduct audits and assessments in order to monitor compliance. Any conduct or practices that are contradictory to this document may result in the suspension or termination of the business relationship with HAAG.

Any work done for HAAG must be in full compliance with this document and all other applicable and relevant laws, provisions, regulations and guidelines.

2. Environmental protection

Suppliers recognize that taking responsibility for protecting the environment is a crucial aspect in producing sustainable products. In this context, polluting or damaging the environment for the extraction and use of natural resources must be reduced to the bare minimum. Business partners shall also ensure an inclusive, safe, and healthy work environment for all their employees. They shall conduct their business in an environmentally friendly and sustainable manner.

- 2.1. Preventing pollution: The supplier shall minimize pollution of the environment. The supplier shall continuously improve its production by taking appropriate measures to reduce or eliminate waste, waste water, and air pollution.
- 2.2. Waste and pollution: Pollution or hazards to the environment (wastewater, waste, toxic substances, chemicals, noise and air pollution) must be minimized.
- 2.3. Resources: With the help of sustainable business practices, the supplier shall be mindful and responsible in using resources.
- 2.4. Climate: The supplier shall strive for climate neutrality by continuously working to reduce its CO2 emissions in order to minimize the impact on our planet and people.
- 2.5. Safe handling of materials: The supplier undertakes to handle, use, store, transport and dispose of all materials and substances in a safe manner.

3. Labor practices and human rights

We believe that every employee deserves a workplace where fair and ethical conduct is practiced and that they must be treated with dignity and respect. The supplier commits to comply with international standards relevant to human rights.

- 3.1. Child Labor: HAAG respects the right of children to development and education. Suppliers are prohibited from employing children and thereby violating the requirements of the Minimum Age Convention of the ILO. The minimum age for employment is the legal minimum age applicable in the country or the age of completion for compulsory education in that country, whichever age is higher.
- 3.2. Discrimination: We expect our suppliers to facilitate a work environment that is completely free of discrimination. Thus, employees of the supplier must not be disadvantaged, favored or harassed at work. This includes discrimination based on, for example, gender, skin color, religion, nationality, political or other beliefs, ethnic origin, disability, age, sexual orientation and identity or other characteristics.
- 3.3. Forced Labor: Our business partners do not tolerate or benefit from forced labour, slave labor or any other form of labor performed involuntarily. All work must be performed voluntarily. Employees should be free to leave their employer after complying with the statutory notice periods. Forced labor refers to all types of bonded labor. Forcing employees to hand over their personal identification documents as a precondition for employment is not permitted.

- 3.4. Working hours, payment & additional benefits for employees: Suppliers accept the right of workers to form unions, join existing unions and participate in collective wage negotiations. In addition, the applicable provisions of national laws on working hours and payment must be adhered to.

- 3.5. Freedom of association: Our suppliers are committed to respecting the rights of employees. This includes the freedom of association, holding a voluntary membership of a trade union, establishing or participating in a works council in accordance with the local laws. Employees should be able to communicate with the management about working conditions openly without any fear of reprisal, intimidation or harassment.

4. Safety and health

We expect our suppliers to adhere to the applicable national occupational health and safety requirements. In addition, it must be ensured that the working environment at our suppliers workplace is humane. Suppliers are expected to support the guarantee, increase and further improvement of safe working conditions.

- 4.1. Hazard prevention: Accidents and illnesses that can be attributed to work must be prevented as far as possible. Therefore, we expect our suppliers to set up and deploy a suitable occupational health and safety management system. This system must include: Identifying, evaluating and reducing existing and potential accident and health risks, recording and investigating incidents, training and providing appropriate work equipment, and taking the proper emergency preparedness and response measures.
- 4.2. Prevention and training: In order to prevent or reduce injuries and illnesses that result from work, our suppliers must comply with the applicable health and safety guidelines. Moreover, employees must be trained and instructed in a way that they understand.
- 4.3. Quality: The suppliers acknowledge that the quality of products and services, the consistency of production, and employee morale can always be increased given a safe and healthy work environment.
- 4.4. Accidents: Appropriate steps must be taken in order to prevent accidents and health damage that may occur in connection with or during work. In this regard, the causes of existing hazards within the work environment must be minimized as far as possible.
- 4.5. Personal protective equipment: The supplier shall provide appropriate personal protective equipment to all workers for this type of work where the hazards cannot be countered adequately using other means.

5. ETHICAL STANDARDS AND FAIR BUSINESS PRACTICES

We expect fair and ethical business practices from our suppliers. These include in particular:

- 5.1. Corruption and bribery: The HAAG Group expects that its suppliers shall not tolerate corruption and bribery. The suppliers shall ensure the fight against corruption and bribery in their company in compliance with the respective laws. The supplier shall reject any form of corruption, bribery, fraud or extortion. Nor should it be possible to influence the supplier in any way. This includes giving illegal payments, gifts, and benefits to individuals, a company or a public official.
- 5.2. Antitrust law: We expect our suppliers to follow the applicable antitrust laws in all countries. Antitrust provisions prohibit actions which are unreasonably restrictive, deceptive or misleading. Such actions restrict competition unduly without any benefits for consumers.
- 5.3. Data protection: Suppliers must know and follow the relevant local data protection requirements. Our suppliers must act properly to ensure data protection with regard to the personal data belonging to HAAG. Personal data includes, for example: Name, address, phone number, date of birth or health information.
- 5.4. Foreign trade: The relevant laws and regulations must be taken into account for importing, exporting or trading goods, technology or services, or for handling certain products. The applicable sanctions and embargoes must also be followed.
- 5.5. Conflicts of interest: Conflicts of interest like personal relationships with a business partner or insider trading in relation to suppliers and HAAG must be disclosed immediately and resolved promptly.



5.6. Confidentiality of business information: Suppliers shall ensure that information related to the respective business is kept confidential. Attention must also be paid to this confidentiality clause in business relationships with subcontractors. Documents must not be passed on to unauthorized persons in any event. A violation of this may constitute an antitrust violation.

6. Implementation of this Supplier Code of Conduct (SCoC)

6.1. Compliance with the requirements: Our suppliers guarantee that the minimum standards of the Supplier Code of Conduct will be met in the contractual relationship with HAAG. The suppliers shall ensure that these values are also passed on to their employees. With regard to the subcontractors of suppliers, they shall work towards complying with these values.

If there are separate requirements from a company's own Code of Conduct or a Supplier Code of Conduct, those requirements must be supplemented by the requirements of this SCoC and must not contradict them.

6.2. Violations: The Supplier Code of Conduct of HAAG is part of our contracts with our suppliers. If a breach of this document is suspected, the supplier and HAAG shall investigate the facts jointly. If there are violations to this SCoC, HAAG reserves the right to react appropriately, which may even include the right to extraordinary termination and compensation for damages.

6.3. Reporting channels and contact persons: Contact persons for reporting violations of this Supplier Code of Conduct are the respective contact persons in the purchasing department of HAAG. Significant violations with regard to compliance can be reported to the Compliance Officer, at wbs@alpine.hosokawa.com. And if you have general questions about the Supplier Code of Conduct, please contact LKSG@alpine.hosokawa.com.