

General Conditions of Purchase

E. Hawle Armaturenwerke GmbH



I. GENERAL

For all inquiries and orders of E. Hawle Armaturenwerke GmbH (hereinafter: Client) and deliveries or services by suppliers or contractors (hereinafter: Contractor) to the Client, the following General Conditions of Purchase shall apply, unless other written special agreements have been made with the respective Contractor. All documents and other materials must include the respective Hawle reference numbers (order numbers, item numbers, etc.).

The terms and conditions of sale and delivery, as well as other general terms and conditions of the Contractor, are not recognized by the Client and are expressly excluded. In the case of repeated orders, the General Conditions of Purchase that have been previously accepted or acknowledged without contradiction by the Contractor shall also apply to all subsequent orders and deliveries, even if they were not specifically mentioned during face-to-face and telephone negotiations.

In any case, the execution of the order by the Contractor shall be deemed acknowledgment of the General Conditions of Purchase by the Contractor.

II. REQUEST FOR QUOTATION

Request for quotations are non-binding for the Client and the preparation of an offer by the Contractor is free of charge. Offers made by the Contractor must correspond exactly to the text contained in the request for quotation as well as any enclosed technical documentation of the Client. Deviations must be marked and highlighted by the Contractor. Alternatives may be offered separately by the Contractor. Cost estimates and quotations produced by the Contractor are free of charge and binding, unless otherwise agreed in writing in advance.

The offer is usually accepted, and therefore the contract concluded, by means of a written order made by the Client in response to a binding offer submitted by the Contractor. The Client reserves the right to only accept parts of an offer. If the Client makes a change to the Contractor's offer, the Client's offer shall automatically be deemed non-binding.

III. ORDER

The Client's orders are only legally binding for the Client if made in writing (including email, EDI, OCI, and fax format). Preference is given by the Client to electronic orders sent from the Client's ERP system.

In the event of obvious mistakes, typing errors, and miscalculations in the documentation, drawings, and plans submitted by the Client, the Client shall not be bound to the affected orders. The Contractor is obliged to notify the Client of such errors so that any orders placed by the Client can be corrected and replaced. This also applies to erroneous documentation or drawings.

The Client will not recognize exceedances of the prices quoted in the order. If there are no prices quoted in the Contractor's offer or the Client's order, the prices agreed upon in the initial order shall apply. If no prices have been explicitly agreed, customary prices shall be deemed to have been agreed. In the case of further orders, those prices paid by the Client in the preceding transactions shall apply.

Unless there is a special agreement on the order, the prices include packaging, DAP at the Vöcklabruck factory, DAP at the Frankenmarkt factory, or DAP at the place of installation (INCOTERMS 2010) depending on the information on the order, and are payable within 14 days less 3% discount or 30 days net.

In the case of delivery ex works by the Contractor, the shipping instructions specified in the Client's order shall apply; costs incurred from the non-observance of these shipping instructions shall be borne by the Contractor. The risk is not transferred to the Client until the delivery of the goods, completion and handover of the work.

Deviations from the text and content of the Client's order in terms of quantity and quality as well as subsequent changes to the contract shall not be deemed agreed until expressly confirmed in writing by the Client. Otherwise, they will have no legal effect on the Client, even if they are not expressly or specifically contradicted.

The Contractor expressly declares that it is authorized to dispose of the delivered goods and is the legal owner. In the case of services to be provided, the Contractor additionally declares that it has all the necessary authorizations (e.g., business licenses).



IV. ORDER CONFIRMATION

The Contractor is obliged to send a written and legally effective order confirmation to the Client within 3 working days from the date of the Client's order. Changes or additions to the order in the order confirmation must be highlighted by the Contractor and require written confirmation from the Client. If the Contractor does not send an order confirmation within 3 working days for orders made by the Client on a non-binding offer of the Contractor, the order shall be deemed accepted in full by the Contractor and a legally-binding contract is concluded. Rejection of the order by the Contractor upon expiry of the three working days is not possible and is ineffective.

For standard catalog orders via the OCI connection of the webshop, the Client's order is to be regarded as an acceptance of the Contractor's offer. The information provided by the Contractor in the webshop (in particular the price and delivery date) shall apply at the time of ordering. The Contractor is not required to send an order confirmation in this case.

The Client may rescind the contract if insolvency proceedings are instituted on the Contractor's assets or insolvency proceedings are dismissed for lack of assets, if enforcement proceedings are pending against the Contractor, or the Contractor's business (company) is transferred mortis causa or inter vivos to third parties by legal transaction, or if other significant changes, e.g., changes under company law, occur at the Contractor's company.

If the Client cancels the order for reasons other than those for which the Contractor is responsible, the Contractor is entitled to charge the Client for all services rendered up to the day of the cancellation but not for a loss of profit or unrealized benefits.

V. PRICES

The prices quoted in the order are fixed prices, unless the Contractor generally reduces its relevant prices or unless expressly confirmed in writing by the Client. For castings, which are calculated by weight, the actual weight shall be used. The quoted prices include customary packaging, transport costs, and fees, taxes, and duties.

VI. DELIVERY DATE

The Contractor must comply with the specified delivery dates. If the Contractor realizes that the agreed deadlines cannot be met, it must notify the Client immediately in writing and must state the reasons for the delay. If the delivery periods or delivery deadlines are exceeded, the Client reserves the right to either demand fulfillment and compensation for damages due to delay, or to withdraw from the contract immediately or by setting a grace period and to demand compensation for damages due to non-performance. For tool-based products, the delivery period shall begin following completion or receipt of the usable manufacturing equipment, tools, and all technical documentation.

VII. SHIPPING AND PACKAGING

The delivery must be made to the agreed place of delivery in accordance with the order information. The Contractor must ensure that the products are meticulously and correctly packaged, taking into account all transport risks. The packing slip, inscriptions on containers, packaging, and the like must ensure that the delivered products can be correctly identified and the quantities correctly determined. In all shipping documents, the order number, item number, item name, drawing number, change number, quantity, and other information required by the Client must be provided. For shipments from foreign customs territories, all documentation required for customs clearance must be provided in good time, in accordance with regulations, and in sufficient quantity to the customs agents and all approval bodies and departments. All costs incurred as a result of delayed customs clearance due to erroneous or incomplete documentation and accompanying papers shall be borne by the Contractor. An overdelivery of the order is only permitted in accordance with the valid Hawle service grade definition. Partial deliveries are only accepted with the prior consent of the Client. Partial deliveries are generally not permitted for pre-production series. For project orders, overdeliveries or underdeliveries will not be accepted. The Contractor must provide proof of the proper handover of the delivery.



VIII. PRODUCTION EQUIPMENT AND ORDERS

All production equipment (e.g., models, model plates, templates, inspection tools) provided by the Client for production is and shall remain property of the Client. Similarly, production equipment produced by the Contractor and paid for by the Client shall always remain property of the Client. All production equipment that is owned by the Client must be surrendered by the Contractor to the Client at the request of the Client at any time, however no later than upon termination of the collaboration, including any replicas of the production equipment, or destroyed at the request of the Client. Proof of the destruction and disposal of the equipment must be provided to the Client. The Contractor is not entitled to destroy or dispose of any production equipment belonging to the Client without the explicit written request of the Client. The Contractor has no right of retention with regard to the Client's production equipment.

In the case of castings, the Contractor must expressly declare any absence of production equipment; otherwise, the Client may assume that it is present.

Production equipment may only be modified with the approval of the Client. Deliveries to third parties carried out using the production equipment of the Client, regardless of whether such equipment is owned by the Client or not, are only permitted with the written consent of the Client. After each delivery and after each series production phase, the Contractor must check the functionality of the production equipment. If defects are found, they must be reported immediately to the Client and the Client and Contractor must decide on the further course of action. If materials are provided by the Client, they may only be used for orders to the Client. These materials shall remain the property of the Client.

At the request of the Client, the exact stock of the Client's production equipment and supplies stored at the premises of the Contractor shall be determined by the Contractor and disclosed to the Client without delay. The Contractor must ensure proper handling and storage of the production equipment and supplies. In the event of damage caused either by the materials provided by the Client or by its products, the Client shall only be liable if the Contractor can prove intent or gross negligence.

The Client's production equipment and supplies may not be used in any instance by the Contractor for third-party orders or services to third parties without written permission. Likewise, the Contractor is prohibited from producing duplicates of the Client's production equipment, supplies, and related documents for its own purposes or for the purposes of third parties, as well as from passing on these items to third parties without the prior written consent of the Client.

IX. CONDITIONS OF ACCEPTANCE, WARRANTY, AND LIABILITY

The Contractor guarantees that, in relation to the services it is to provide, neither the goods listed in the contract nor their processing or use are protected, in whole or in part, by trademarks, patents, utility models, copyrights, industrial design rights, or other proprietary rights of a third party.

Furthermore, the Contractor is obliged to indemnify and hold harmless the Client in the event of damage, such as losses and costs incurred by it or affiliated companies through third-party claims based on the aforementioned deliveries and services; in particular, this also applies to product liability claims.

With regard to each individual delivery and service provided, the Contractor guarantees that they are state of the art and have been procured and exported without fault.

The warranty period shall begin with the commissioning/processing or acceptance of the delivered good or service and shall last for 10 years. The date of the effective acquisition of the goods or services by the Client is extraneous to the warranty period.

The signing of delivery slips or receipts only confirms the receipt of the goods, but says nothing about the condition or functionality of the goods. The obligation to inspect the goods for defects and to report such defects shall be waived and the Contractor shall expressly waive objection to improper notification of defects, in particular as per Section 377 Austrian Commercial Code. However, the Client shall provide notification of defects relating to a delivery within 6 weeks of receipt for obvious defects and within 6 weeks from discovery for hidden defects. For goods that are usually left in their packaging until they are used, defects that only become visible when they are



General Conditions of Purchase

E. Hawle Armaturenwerke GmbH



removed from the packaging or when they are processed shall be considered to be hidden defects. Tolerances and standards specified on drawings and technical documentation must be observed. Castings must be supplied raw and cleaned. In the case of defects that do not justify a cancellation, the Client is entitled to freely choose from a replacement, correction, or price reduction.

If the Contractor does not comply with a Client's request to correct a defective delivery or service within the period set by the Client, the Client shall also be entitled, without prejudice to its right to demand further corrections by the Contractor, to carry out the work or reworking itself or have a third party carry out such work or reworking at the Contractor's expense, or to make a covering purchase. Scrap parts shall be handled according to the collective scrap agreement (reference specification). In any case, the Client shall be entitled to claim compensation for any damage culpably caused in any way by the Contractor, in particular compensation for consequential losses.

X. INVOICING

Invoices are to be sent either in paper form to the Vöcklabruck factory or by email to the email address "invoicing@hawle.at". In both cases, the Contractor must indicate the order number or reference to the orderer, item number, item description, drawing number, change number, quantity, and any other required information. In the event an invoice is not issued correctly, the Contractor must accept payment delays of 14 days without any reduction of the rights of the Client (e.g., discount). If the Contractor is interested in electronic invoicing, it must send a registration email to "invoicing@hawle.at". Invoices are settled according to the agreed terms of payment and after the complete release of the delivered goods or services rendered. Payments shall be deemed to have been made on time if they have been sent by the Client or the transfer has been made at the latest on the last day of the agreed period. The Client is entitled to offset claims that the Contractor has with all claims that the Client has against the Contractor. The Client is also entitled to this right vis-à-vis any assignee or other party entitled to the claim against the Client, even if it has consented to the transfer. The Contractor is not entitled to assign or pledge claims against the Client to third parties or to make them the subject of legal transactions without the written consent of the Client; this prohibition on assignment does not apply to pecuniary claims between entrepreneurs resulting from entrepreneurial transactions. The Client also reserves the right to an invoice reduction while simultaneously informing the Contractor of the reason for such in the form of a debit note.

The Contractor is not entitled to withhold any promised deliveries or services.

The settlement of the Contractor's invoices by the Client does not imply recognition of the correctness of the delivery or service, nor does it imply a waiver of the rights to which the Client is entitled.



General Conditions of Purchase

E. Hawle Armaturenwerke GmbH



XI. PLACE OF PERFORMANCE, PLACE OF JURISDICTION, CHOICE OF LAW AND SEVERABILITY CLAUSE

The place of performance of the deliveries is the delivery address specified on the order. The place of performance of the payment is Vöcklabruck.

The sole place of jurisdiction for all disputes arising directly or indirectly from the contracts concluded between the Client and the Contractor, including these General Conditions of Purchase, is the Austrian court with jurisdiction for the registered office of the Client. However, the Client may also institute proceedings before the competent court of the Contractor.

All purchase agreements between the Client and the Contractor, as well as these General Conditions of Purchase, are exclusively subject to Austrian law, excluding the United Nations Convention on Contracts for the International Sale of Goods of 11/04/1980, Federal Law Gazette. 1988/96 (Vienna Convention – United Nations Convention on Contracts for the International Sale of Goods).

If any provisions of these General Conditions of Purchase are or become invalid, this shall not affect the validity of the remaining provisions of these General Conditions of Purchase. The contracting parties undertake to replace such provisions with valid provisions which reflect the purpose of these General Conditions of Purchase as closely as possible.

Vöcklabruck, October 2018

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