

General Terms and Conditions of Purchasing of Herbert Kannegiesser GmbH (hereafter "TCP") for companies of the Kannegiesser Group (hereinafter also "Purchasers")

For use with:

1. a person acting in the exercise of their commercial or independent professional activity when entering into the contract (entrepreneur);
2. a legal entity under public law or a special fund under public law
(hereinafter "Supplier").

I. Conclusion of contract, payment terms

1. All deliveries by the Supplier to companies of the Kannegiesser Group are subject to these TCP and possibly separate contractual agreements. As a precautionary measure, the Purchaser rejects any contradictory terms of delivery or business of the Supplier; such terms of delivery or business of the Supplier shall not become part of the contract even after placing and acceptance of the order and shall only apply if the Purchaser has confirmed them in writing.
2. These TCP apply in their currently valid version including for all subsequent transactions without having to be explicitly mentioned or agreed to when entering into such subsequent transactions.
3. Orders are generally placed by the Purchaser sending individual orders to the Supplier. Provided there are no special agreements, a contract shall only exist when the Supplier has confirmed the order in writing, provided the order confirmation confirms the order without restrictions and deviations and is received within five working days after receipt of the order by the Supplier. If the order confirmation is not provided within this period, the order shall be regarded as accepted.
4. If a framework order of the Purchaser to the Supplier exists, the Supplier may only reject individual orders submitted by the Purchaser within this framework order with a reasonable justification. A reasonable justification does, in particular, not exist if the Supplier no longer sells the contract product without having submitted a notification in accordance with section VIII. 2. below or if the Supplier cannot accept the order due to production difficulties, production changes, failure of their own suppliers to deliver or unexpectedly high demand.
5. If the Purchaser and the Supplier enter into a logistics or price agreement, the target quantities agreed with the Supplier are non-binding; the Purchaser is not obligated to accept the target quantities. The Purchaser has the right to adapt the target quantities to their actual requirements and shall inform the Supplier accordingly. An obligation to accept quantities shall only exist if and to the extent that the Purchaser and Supplier agree on security stock.
6. All agreements entered into by the Supplier and the Purchaser for the execution of the contract shall be laid down in writing in the contract, including these TCP and any framework contract. The written contract shall reflect all agreements made by the parties with regard to the subject of the contract in full. Verbal commitments by the Purchaser prior to entering into this contract are not legally binding and any verbal agreements by the parties shall be replaced by the written contract, unless they explicitly state that they will persist in a binding manner.
7. The Purchaser shall reserve all property rights and copyright to samples, cost estimates and similar information of a physical or non-physical nature, including in electronic form.
8. The purchasing prices listed in the individual orders are fixed price in EUR, carriage free (DDP Incoterms 2020) and to be understood to include any incurred one-time costs of production, inspection, packaging and transport. Purchase prices are due within 21 days with a discount of 3 % or within 30 days net. The payment period shall begin as soon as the delivery or service was fully provided and the Purchaser has received the correctly issued invoice.
The invoice must contain the following information and be sent to our central e-mail address invoice@kannegiesser.de:

- Purchaser's order number,
- Purchaser's article number,
- Precise designation of goods and delivered quantity,
- Precise addressing of the ordering Kannegiesser group company,
- Supplier according to order.
- Product Carbon Footprint (PCF) (not obligatory)

II. Subject matter of these TCP

1. The Supplier undertakes to provide companies of the Kannegiesser Group with goods, hereinafter referred to as "contract products" in accordance with the terms and conditions listed in these TCP. The contract products are used in industrial laundry applications. Should there be any restrictions for use of the contract products in these applications, the Supplier shall inform the Purchaser in writing prior to accepting the order.
2. Contract products must be marked with an undetachable identifier containing the Purchaser's 7-digit article number (in numbers and if at all possible as a 2of5 interleaved barcode), the "Kannegiesser" label, the date of manufacture, the batch and serial number. The provisions of the legal and technical regulations, directives and certificate guidelines, in particular TÜV, CE, CCC, CSA, UL and GOST must be taken into account when marking the contract products. The Supplier must not attach their own material and article number or any information regarding address data, phone and fax numbers, e-mail addresses and web addresses to the contract products.
3. Each delivery must include a delivery note with the following specifications:
 - Purchaser's order number (as above?)
 - Purchaser's article number,
 - Precise designation of goods and delivered quantity,

- Safety data sheets for hazardous products,
 - "3.1 b certificates" in accordance with DIN EN 10204 for semi-finished goods made of steel and VA steel
- Operating and maintenance manuals must be included.

III. Delayed delivery

1. The delivery time specified in the order is binding.
2. The Supplier is obligated to immediately inform the Purchaser in writing, if circumstances occur or become apparent that mean that the required delivery time cannot be adhered to.
3. In the event of a delay in delivery, the Purchaser is entitled to demand a contractual penalty amounting to 0.5 % of the delivery value for each completed week to a maximum amount of 5 % of the delivery value. The Purchaser has the right to assert this claim to a contractual penalty in addition to the fulfilment of the order. The Purchaser shall declare the reservation of contractual penalty toward the Supplier at the latest ten working days from receipt of the delayed delivery. Further claims and rights remain reserved for the Purchaser, taking into account the contractual penalty incurred.

IV. Warranty

The Supplier shall be liable for material defects and defects of title as follows:

Material defects

1. The Supplier is obligated to perform an extensive, final outgoing goods inspection. The Purchaser is obligated to check the supplied goods for potential deviations in quality or quantity within a reasonable time period; a complaint is considered timely if the Supplier receives it within a period of five working days from receipt of the goods or, for hidden defects, from discovery.
2. The Supplier is liable to the customer for ensuring that the supplied contract products are free of material defects. The contract products are free of material defects if they have the agreed properties. The agreed properties are the following, in the listed order
 - the specification, drawings, component specification sheet, functional specification sheet provided by the Purchaser,
 - the information provided by the Supplier in quotes, catalogs, newsletters, displays, price lists or other descriptions,
 - the state of the art,
 - the requirements for the intended purpose,
 - the assurances of upstream suppliers and the Supplier's assistants,
 - markings on the goods that imply the presence of specific properties,
 - the suitability of the contract products for the purpose derived from the contract.
3. The Supplier shall guarantee that the contract products have the agreed properties throughout the limitation period for material defects.
4. The Purchaser has a right to the full statutory claims for defects. The Purchaser always has the right to demand that the Supplier remedy the defect or supply a new good, at the Purchaser's discretion. The Purchaser explicitly reserves the right to compensation for damages, in particular for compensation for damages in place of performance.
5. The rectification of a defect is considered failed if the first attempt fails. If the Supplier does not meet their obligation of supplementary performance within the set time period, the Purchaser is entitled, in cases of particular urgency, i.e. if the Purchaser can no longer notify the Supplier of the defect and the imminent damage and give the Supplier a short deadline for supplementary performance, or in the event of imminent danger or after a deadline for supplementary performance has elapsed without success, to remedy the defect independently at the Supplier's cost, in particular to replace or repair damaged components. The Purchaser may eliminate any damage incurred at the Supplier's cost.
6. The limitation period for material defects is 36 months from transfer of risk. In the event of supplementary delivery, the limitation period for material defects on replaced components begins again, unless the supplementary delivery was only intended to eliminate a minor defect. Acceptance or release of drawings or samples does not exclude the Purchaser from asserting their right to material defect claims.
7. Unless otherwise agreed, contract products declared defective must be repaired or replaced by a replacement delivery by the Supplier without delay but at the latest within four weeks from return shipping of the defective contract product to the Supplier. The Purchaser must immediately be informed in writing about the cause of the defect. Without prejudice to other rights and claims, the Purchaser has the right to demand reimbursement of the costs for return shipment, inspection and fault analysis from the Supplier.

Defects of title

8. The Supplier guarantees that the supplied contract products are free of defects of title. Should use of the contract product by the Purchaser lead to violations of industrial property rights or copyrights of domestic third parties, the Supplier shall obtain the right to continued use for the Purchaser at the Supplier's cost or modify the contract products for the Purchaser in an acceptable manner so that the violation of property rights does not persist, but the contract products continue to fulfil the contractually agreed functions. Should this be impossible under economically reasonable conditions or within a reasonable time period, the Purchaser has the right to, at their own discretion, either withdraw from the contract or reduce the purchase price. Moreover, the Supplier shall indemnify the Purchaser against any claims by the affected property right owner in full and at first request.
9. The limitation period for defects of title is 36 months from transfer of risk.

V. Serial defect

1. A serial defect exists if more than 3 % of supplied contract products within the limitation period for material defects and defects of title have an identical defect.
2. In these cases the Supplier shall correct the defects on all contract products of the defective batches free of charge. The Supplier shall reimburse the Purchaser and the Purchaser's customers for all costs incurred by the Purchaser or Purchaser's customers due to re-

placement of the defective contract product. The Supplier shall be liable for the items repaired or replaced in the context of eliminating serial defects being free from material defects and defects of title as defined in section IV above.

VI. Product liability, indemnity

1. If the Supplier is responsible for product damage, the Supplier shall undertake to indemnify the Purchaser against claims for damages by third parties, irrespective of their legal basis and legal system, at first request, to the extent that the cause is deemed to be within the Supplier's sphere of control and organization and the Supplier is liable in relation to third parties.
2. Within the context of Supplier liability for damage as defined in section (1), the Supplier is also obligated to reimburse any expenses that are incurred by or in relation with a product recall conducted by the Purchaser in accordance with paragraphs 683, 670 BGB (German Civil Code) and paragraphs 830, 840, 426 BGB. The Purchaser shall immediately inform the Supplier if the Purchaser or the Purchaser's customers believe that a product recall, customer service actions or other measures should be initiated due to faulty contract products. The Purchaser shall inform the Supplier about the content and extent of any product recall measures conducted by the Purchaser to the feasible and reasonable extent and shall give the Supplier the opportunity to respond. The Supplier shall support the Purchaser at the Supplier's expense in conducting these measures to a feasible and reasonable extent. Any other legal claims by the Purchaser shall remain unaffected by the above.

VII. Liability insurance

The Supplier shall maintain a product liability insurance with a coverage of at least EUR 10 million per injury/material damage - flat - including extended coverage for the cost of installation and dismantling and at least EUR 50,000 for financial damage; should the Purchaser be entitled to further claims for damages, these shall be unaffected by this. The Supplier shall present the Purchaser with suitable proof of insurance if requested.

VIII. Changes in design and provision of spare parts

1. The Supplier undertakes to constantly maintain and further develop the contract products according to the current state of the art. Changes or modifications to contract products that have significant effects on mechanical, optical or electrical data and properties of the contract product require prior authorization by the Purchaser.
2. The Supplier shall notify the Purchaser of any discontinuation of a contract product in writing at least one year before discontinuing production. The Supplier is also obligated to give the Purchaser the opportunity to submit a last order covering up to two years of the Purchaser's requirements. Provided this is feasible and reasonable, the Supplier shall offer the Purchaser a replacement product for the contract product.
3. The Supplier is obligated to provide spare parts even beyond the usual duration of use of the contract product. Moreover, the Supplier is obligated to provide spare parts even beyond the usual duration of use of the machine installation in which the contract product is installed by the Purchaser or third parties. The obligation to provide spare parts shall persist for ten years from the date of the final delivery by the Supplier to the Purchaser.

IX. Reservation of title, provision of components, tools

1. Should the Purchaser provide the Supplier with components, the Purchaser maintains ownership of these. Processing or conversion of these components by the Supplier shall be on behalf of the Purchaser. Should the Purchaser's reserved goods be combined with other goods that are not property of the Purchaser, the Purchaser shall acquire co-ownership of the new product in the ratio of the value of the items provided by the Purchaser (purchase price plus VAT) to the other processed items at the time of processing.
2. Should the item provided by the Purchaser be intermixed with other goods that are not property of the Purchaser in an irreversible manner, the Purchaser shall acquire co-ownership of the new product in the ratio of the value of the reserved good (purchase price plus VAT) to the other intermixed items at the time of intermixing. Should intermixing be conducted in such a way that the Supplier's goods are to be regarded as the principal item, the Supplier shall transfer co-ownership to the Purchaser on a pro rata basis; the Supplier shall keep the property or co-owned property of the Purchaser safe on the Purchaser's behalf.
3. The Purchaser retains the ownership of tools; the Supplier is obligated to use the tools exclusively for producing the contract products ordered by the Purchaser. The Supplier is obligated to insure the tools belonging to the Purchaser at the original value against fire, water and theft at the Supplier's own expense. At the same time, the Supplier hereby assigns to the Purchaser all claims for compensation arising from this insurance; the Purchaser hereby accepts the assignment. The Supplier is obligated to perform any required maintenance and inspection work and any service or repair work on the Purchaser's tools at the Supplier's own expense in a timely manner. The Supplier shall immediately inform the Purchaser of any malfunctions; should the Supplier culpably fail to do so, the Purchaser's claims for damages shall remain unaffected.
4. Should the security interests to which the Purchaser is entitled in accordance with section (1) and/or section (2) above exceed the purchase price of all reserved goods not yet paid for by over ten percent, the Purchaser is required to release security interests of the Purchaser's choice at the Supplier's request.

X. Quality assurance

1. The Supplier shall organize their company in accordance with ISO 9001 ff. Acceptance of an order by the Supplier implies that the Supplier takes suitable measures and, in particular has an effective quality assurance system, to ensure fault-free provision of goods and services in accordance with the agreed quality. This includes e.g. sufficient staff and technical equipment and a suitable organization for preventing and detecting faults. The collaboration of the Purchaser with the Supplier shall be based on partnership and shall be future- and market-oriented in order to satisfy the Purchaser's customers and avoid difficulties in contract execution.
2. The Supplier undertakes to archive technical production, manufacturing and quality documents for at least 20 years and give these to the Purchaser at any time at the Purchaser's request. Prior to destruction of these documents, they must be offered to the Purchaser free of charge.
3. The Supplier guarantees that the supplied contract products comply with the statutory and regulatory protection regulations (e.g. German Equipment and Product Safety Law, EU directives, etc.) and the accident prevention regulations issued by the employer's liability insurance associations. Violations of this guarantee entitle the Purchaser to demand compensation for damages or withdraw from the contract.
4. For quality assurance, the Supplier shall inform the Purchaser of any change in production site in writing without delay and explain how uninterrupted delivery as scheduled will be ensured during the relocation phase.

XI. Customs / export control

1. For deliveries from abroad, the international HS codes and the EU VAT/identification number of the supplied goods must be listed in the delivery notes, order confirmations and invoices. If the ordered contract products are intended for further export, the order confirmation must specify whether the goods are included in the export list or whether they are subject to US-American re-export restrictions. If no information about the above is provided, the Purchaser must reasonably assume that neither applies.
2. The Suppliers are obligated to provide all declarations and information required by EU regulations, permit inspections by customs authorities, supply the required confirmations and provide the customs tariff numbers.
3. Imported contract products must be delivered duty paid.

XII. Confidentiality and protection of confidence

1. The Supplier is obligated to treat all received figures, drawings, calculations and other information as strictly confidential. This information may only be disclosed to third parties with the Purchaser's explicit authorization. The non-disclosure obligation continues to apply after the end of the contract; it ends when and to the extent that the production knowledge in the disclosed figures, drawings, calculations and other documentation becomes known by the general public.
2. The Purchaser has the right to demand an appropriate contractual penalty determined according to the Purchaser's reasonable discretion for any case of culpable breach of the aforementioned non-disclosure obligation. In the event of a dispute, the responsible court will review the contractual penalty.
3. The Supplier may only advertise toward third parties using the contract products produced for the Purchaser or disclose work performed on behalf of the Purchaser to third parties with the Purchaser's explicit authorization.

XIII. Applicable law, place of jurisdiction and final provisions

1. Unless otherwise agreed, all disputes arising from or in relation with these Terms and Conditions of Purchase or disputes arising from or in relation with agreements taking these Terms and Conditions of Purchase into account, are exclusively subject to the laws of the Federal Republic of Germany, under exclusion of German International Private Law and the UN Convention on the International Sale of Goods dated April 11, 1980 (UN Sales Convention).
2. The place of jurisdiction for any disputes arising from or in relation with these Terms and Conditions of Purchase is - provided this is legally permissible - the court responsible for the Purchaser's headquarters. However, the Purchaser has the right to file a suit at the Supplier's headquarters.
3. The place of performance for all deliveries by the Supplier is D-32602 Vlotho or the receiving point indicated by the Purchaser, unless otherwise agreed in separate agreements or possibly agreed INCOTERMS.
4. Should any provision in these Terms and Conditions of Purchase be or become invalid or unenforceable, this shall not affect the validity or enforceability of all remaining provisions in these Terms and Conditions of Purchase or any other agreements. Ineffective, invalid or unenforceable provisions in these Terms and Conditions of Purchase shall be regarded as replaced by effective and enforceable provisions that are as close as possible to the economic purpose of the invalid provision.

XIV. Sustainability

1. We take responsibility for protecting people and the environment and strive to balance economic, ecological and social interests to the greatest degree possible. We have set down this aspiration as a firm part of our company values. The Supply Chain Act governs corporate responsibility for adherence to human rights in global supply chains. This includes, for instance, the prevention of child labor, the right to fair pay and protection of the environment. To meet these requirements, registration on the "Integrity Next" platform is a prerequisite for working with our suppliers.