

## General Terms and Conditions of Purchase

### **I. General Information, Applicable Terms and Conditions**

- These General Terms and Conditions of Purchase (GTCP) apply to all our purchasing transactions (contracts with suppliers in which we are the buyer) and the orders we place (contracts with contractors in which we are the client). Suppliers and contractors are hereinafter collectively referred to as "contractual partners." These terms and conditions do not apply to contracts with consumers. Once incorporated, our GTCP form the basis for all future purchasing transactions and orders placed by us, even if their incorporation is not expressly agreed again. Updated GTCP become valid in their respective version upon their first incorporation. The legal relationships between us and our contractual partners are governed by the following order of priority:
  - the individual content of the contract concluded in text form, in the case of a unilateral determination by us, the individual content of our order,
  - these General Terms and Conditions of Purchase (GTCP) and
  - the relevant statutory provisions.
 In addition to this, the current Incoterms shall also apply, provided they do not conflict with these terms and conditions, or other agreements made between us and our contractual partners.
- Upon conclusion of the contract, but no later than upon the first delivery, our contractual partner acknowledges the exclusive validity of these General Terms and Conditions for the respective contractual relationship and for all future business relationships as agreed. Any deviating pre-formulated terms and conditions of the contractual partner shall not become part of the contract either through the acceptance of the order or through our failure to object, but only if they are expressly confirmed by us in writing. By sending these terms and conditions of purchase, we expressly reject any deviating terms and conditions of sale and delivery of our contractual partners.
- Upon conclusion of the contract, our contractual partner confirms that it is not a consumer within the meaning of Section 13 of the German Civil Code (BGB) and that consumer law or consumer goods law does not apply to it.
- The contractual partner undertakes to observe human rights and environmental due diligence obligations in an appropriate manner in order to prevent or minimise human rights or environmental risks or to end violations of human rights or environmental obligations. To this end, the contractual partner shall take the appropriate measures listed in Section 3 (I) of the German Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (LkSG), insofar as these are reasonable. The contractual partner undertakes to oblige every supplier necessary for the manufacture of the parts covered by the contract to observe human rights and environmental due diligence obligations.

### **II. Conclusion of Contract**

- Offers to HOBART must be submitted free of charge and without obligation. Cost estimates will not be remunerated.
- All orders, as well as any changes or additions thereto, must be made in writing (see Section 126b of the German Civil Code (BGB)). If our contractual partner does not accept the order within 10 days of receipt, HOBART is entitled to revoke it.
- The content of the contract is exclusively the HOBART order, whereby we are entitled, even after conclusion of the contract, to demand reasonable changes to the delivery item within reasonable limits. These changes are to be carried out at no extra cost to HOBART.
- Our contractual partner must carry out the order placed with them themselves. Without our written permission, it is not permitted to pass on the order to third parties, either in whole or in part.

### **III. Scope of Services and Force Majeure**

- Our contractual partner is obliged to deliver all parts covered by the contract that are necessary for the proper operation or fulfilment of the order within the agreed period. Agreed dates and deadlines are binding. This also applies if not all necessary individual parts are listed separately in the order. If assembly is required, this must also be completed within the agreed period. The contractual partner shall bear all necessary expenses, such as travel costs, provision of tools and allowances. The decisive factor for compliance with agreed delivery dates and deadlines is the receipt of the delivery at our specified place of receipt or use. If delivery is not agreed to be 'free works' (DAP or DDP according to Incoterms), the contractual partner must make the goods available in good time, taking into account the time for loading and shipping to be agreed with the carrier.
- Our contractual partner must inform us immediately in writing, stating the reasons and the expected duration of the delay, as soon as it becomes aware of difficulties with regard to production, the supply of raw materials, compliance with the delivery date or similar circumstances that could prevent it from delivering on time or in the agreed quality. If agreed delivery dates and delivery periods are not met, HOBART shall be entitled to demand compensation for the damage caused by the delay. The statutory provisions shall apply. In addition, after the expiry of a reasonable grace period, HOBART shall be entitled, at its discretion, to withdraw from the contract and to demand further compensation for damages. Irrespective of this, we shall be entitled to demand a contractual penalty of 0.5% per week or part thereof of the delay from our contractual partner from the time of the delay in delivery for which it is responsible, up to a maximum of 5% of

the total gross value of the delivery. We expressly reserve the right to assert further claims for damages. The unconditional acceptance of the delayed delivery or service does not constitute a waiver of our claims for compensation due to the delayed delivery or service; this applies until the remuneration owed by us for the delivery or service in question has been paid in full. Unless we expressly reserve the right to assert claims upon acceptance of the delayed performance, the contractual penalty incurred may be asserted within a preclusive period of ten working days after acceptance. The contractual partner's right to prove that no damage or significantly less damage has been incurred remains unaffected.

- In the event that our contractual partner is unable to meet agreed delivery dates and delivery periods for reasons for which it is not responsible, the contracting parties shall be obliged to adjust their obligations within reasonable limits to the changed circumstances in good faith. The contractual partner bears the burden of proof in this respect. However, HOBART is released from its obligation to accept delivery and is entitled to withdraw from the contract if, as a result of the delay caused by the passage of time, the delivery is no longer usable for HOBART, taking economic aspects into account. Our contractual partner may only invoke the absence of necessary cooperation on the part of HOBART if it has requested this in writing and has not received it within a reasonable period of time.
- Shipping is at the risk of our contractual partner, who also bears the risk of any deterioration or accidental loss of the shipment until delivery to the place of receipt or use specified by us. The specifications of the HOBART Packaging and Delivery Guidelines must be observed.
- Deliveries prior to the agreed delivery date may only be made with our consent. This also applies to partial deliveries. Partial deliveries are also generally not permitted unless we have expressly agreed to them.
- Force majeure, operational disruptions through no fault of our own, unrest, official measures and other unavoidable events such as pandemics or war release us from our obligation to accept ordered goods or services on time for the duration of the event, insofar as this is made impossible or unreasonably difficult as a result of the aforementioned event. Both parties are obliged to provide each other with the necessary and reasonable information without delay and to temporarily adjust their obligations in good faith to the changed circumstances, in particular to any changes in market requirements. During such events and within two weeks of their end, we shall be entitled – without prejudice to our other rights – to withdraw from the contract in whole or in part if an adjustment is not appropriate, provided that these events are not of insignificant duration. This provision shall also apply in the event of industrial disputes.

### **IV. Regulations governing international trade in goods, origin of goods and preferences**

- Our contractual partner is obliged to submit, without being asked, a long-term supplier's declaration in accordance with Regulation (EEC) No 1207/2001 for all products to be delivered by them with the first series delivery, in which they confirm the preferential legal status of the products. Even if the products are manufactured within the European Community, the country of origin must be clearly indicated.
- Our contractual partner is also obliged to submit the statistical customs tariff number (HS code) of the individual products together with the offer.
- In addition, our contractual partner HOBART undertakes to inform us in writing as early as possible before the delivery date of any approval requirements for its goods or restrictions on (re-)exports of its goods in accordance with the applicable German, European (EU), US export, customs and foreign trade law, as well as the export, customs and foreign trade law of the country of origin of its goods, as early as possible before the delivery date and to provide us with all necessary information without being asked to do so.
- For goods subject to authorisation or restrictions, the following information must be sent in good time before the first delivery:
  - Material number,
  - Description of goods,
  - All applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN),
  - Trade policy origin of goods,
  - Statistical goods number (HS code),
  - A contact person in their company to clarify any queries.
 The contractual partner is obliged to provide us with the ECCN (including EAR99) for all goods subject to US (re-)export control law. The contractual partner is obliged to inform us immediately of any changes to the export list numbers (including ECCN) applicable to the goods delivered to us due to technical or legal changes or official findings.
- The contractual partner is obliged to take appropriate measures for security in the supply chain in accordance with its business model within the meaning of the WCO SAFE Framework of Standards and, in particular, to support us in taking the necessary measures to maintain the authorisation of an Authorised Economic Operator (AEO). The contractual partner undertakes to provide appropriate evidence, e.g. through authorisations or declarations, such as security declarations, declarations within the framework of C-TPAT or similar programmes. We or a third party commissioned by us are entitled to check the contractual partner's evidence in accordance with this paragraph, including on the contractual partner's premises.
- The contractual partner is obliged to inform us of the commercial origin of its goods. This must be stated on the respective commercial invoice and, if necessary, a certificate of origin must be issued. The

contractual partner assures us that it will provide information on the respective prescribed preferential origin and, for goods deliveries from a free trade agreement/preferential agreement country, will enclose the respective prescribed proof of origin. For goods deliveries within the European Union (EU), the contractual partner shall issue a long-term supplier's declaration in accordance with the applicable EU implementing regulation within 21 days of our request. In the case of an initial delivery, the information on the trade policy and preferential origin must be provided in writing at the latest at the time of the first delivery. Subsequent changes must be notified to us in writing without delay.

7. The contractual partner is obliged to enclose all necessary documents, such as commercial invoices, delivery notes and information for a complete and correct import customs declaration, with deliveries of goods across customs borders. The following must be observed with regard to the invoice:
  - a) The invoice must also list separately any costs not included in the price of the goods (e.g. research and development costs, licence fees, tool costs, provisions made by the buyer in connection with the delivery of goods).
  - b) In the case of free deliveries, the contractual partner is obliged to indicate a value that reflects the market price in the pro forma invoice and to add the following note: 'For Customs Purpose Only'.
8. The contractual partner shall support us with all means necessary to reduce or minimise our payment obligations with regard to customs duties and customs clearance costs.

## V. Prices, Invoicing, Payment, Rights of Set-Off and Retention

1. Invoices must be sent in a single copy, stating the invoice number and other identifying details, to the address printed on the invoice; they must not be enclosed with the shipments. In order to become due, they must meet the legal requirements, in particular they must show the remuneration (net invoice amount and the tax amount attributable to the remuneration) separately, as well as the supplier number, invoice number, numbers and dates of the orders, the purchase agreement or delivery schedule, the unloading point, numbers and dates of the delivery notes, and the quantity of the invoiced service and delivery.
2. The prices are quoted free to the place of receipt or use specified by us, including all ancillary costs (e.g. packaging, loading and shipping costs, all road tolls, etc., insurance), plus statutory value added tax, including any customs formalities and customs duties. These are fixed prices that do not change for the duration and execution of the order. If our contractual partner has also undertaken the assembly, the price also includes assembly ready for operation and commissioning.
3. Payment shall be made within 14 days with a 3% discount, subject to invoice verification, unless otherwise agreed. In the event of premature acceptance of services, the due date shall be based on the agreed delivery date. In the event of defective delivery or performance, we shall be entitled to withhold payment until proper performance and up to three times the value of the defective delivery or performance.
4. If partial payments have been agreed, our contractual partner must send us a written request for payment 14 days before the agreed payment date. No payment shall be due before this date.
5. If advance payments have been agreed, our contractual partner must provide security in advance, free of charge, in the amount of the respective advance payment in the form of an unlimited performance guarantee from a domestic credit institution, which covers the repayment of the agreed advance payment including all ancillary claims. After successful acceptance, the guarantee will be returned to our contractual partner.
6. We are entitled to set-off and retention rights as well as the defence of non-performance of the contract to the extent permitted by law. In particular, we are entitled to withhold due payments as long as we still have claims against the contractual partner for incomplete or defective services. The contractual partner may only exercise rights of set-off and retention in respect of claims that are undisputed by us or have been established by a final and binding court decision. To the extent permitted by law, the contractual partner requires our prior written consent to assign claims against us. Section 354a of the German Commercial Code (HGB) remains unaffected. In any case, we shall be entitled, even after notification of an assignment, to make payment to the contractual partner with debt-discharging effect or to offset against counterclaims.

## VI. Warranty, Guarantee

1. The statutory provisions on material defects and defects of title shall apply (in particular the new provisions based on the Sale of Goods Directive), unless otherwise specified below. We shall notify the other party of any defects immediately upon discovery. The other party waives the right to object to late notification of defects in this respect.
2. Our contractual partner guarantees that all services provided in accordance with the order are state of the art. They are also obliged to notify us immediately in writing of any deviation of the goods from objective requirements. Unless otherwise proven, the values determined by us during the incoming goods inspection shall be decisive for quantities, weights and dimensions. Our contractual partner must comply with all legal, technical and environmental protection regulations, about which it must inform itself independently of the order. This includes, in particular, the regulations and guidelines of authorities, professional associations and trade associations. If deviations from these provisions, regulations and guidelines are necessary in individual cases, our contractual partner

must obtain our written consent, whereby its liability for material defects is not limited by our consent.

3. Our contractual partner guarantees that it and any of its subcontractors and/or sub-contractors comply with the requirements of the Minimum Wage Act and the Posted Workers Act (AEntG). In the event of subcontracting, it remains responsible for the performance and success of the service and is liable for the negligence of its subcontractors as if it were its own negligence.
4. Contractual partners who carry out work on the factory premises in fulfilment of the contract must comply with the applicable laws and regulations as well as our company rules. They are obliged to appoint a person responsible for the execution of the order who ensures that the supervisory and control obligations are fulfilled. The contractual partner's responsible person is obliged to consult with our coordinator before carrying out the work, to take appropriate protective measures and to inform us and affected third parties of any mutual hazards. The contractual partners are responsible for the instruction and safety of their employees and subcontractors, as well as for securing sources of danger to third parties. Only sufficiently qualified employees and safe work equipment may be used on the factory premises. Accidents that occur on the factory premises must be reported to us immediately.
5. Our contractual partner further undertakes to manufacture and deliver the products offered and supplied only in accordance with the current European REACH Regulation (EC No. 1907/2006) and EC Directive 2011/65EU-RoHS-RL (updated in 2017, among other things). It is obliged to provide us, unsolicited and in a timely manner, with the information necessary to fulfil our company's obligation regarding the implementation of Art. 33 of the REACH Regulation, Regulation EC No. 1907/2006, in accordance with Art. 33 to the extent required.
6. Our contractual partner undertakes to provide us, at the latest upon delivery of the products, with the necessary information about any so-called conflict minerals used in the products (cf. USA, Dodd-Frank Act, Section 1502) and their origin without being asked to do so.
7. The contractual partner is obliged to provide HOBART with all information relevant to dangerous goods in accordance with the applicable regulations. Information relevant to dangerous goods is all information whose knowledge contributes to the prevention of damage caused by dangerous goods, in particular information in accordance with Sections 410 (1), 411 (3) of the German Commercial Code (HGB); Art. 6 (1), 22 (1) CMR, and in accordance with the provisions of the ADR in its currently valid version. This also applies if the contractual partner uses a third party to fulfil its obligations under the delivery contract. In this case, the contractual partner shall ensure that the information relevant to dangerous goods is communicated by itself or by the third party. The communication of information relevant to dangerous goods by the contractual partner or the commissioned third party to the carrier/forwarding agent must in any case be made at the time of shipment registration (electronically) and at the time of shipment handover (on the CMR consignment note and the delivery note). In addition, the contractual partner undertakes to provide HOBART with all information relevant to dangerous goods on the order confirmation. In the event of a claim against HOBART due to missing, incorrect or incomplete information relating to dangerous goods or due to a breach of one of the obligations set out in paragraphs 1 to 4 by third parties, the contractual partner undertakes to indemnify HOBART against all third-party claims, whether contractual or statutory, upon first request and to reimburse it for all costs of legal defence and to compensate it for any further damage incurred as a result of the claim, unless it is not responsible for the breach of duty.
8. Our contractual partner shall ensure the traceability of the goods delivered by them. In the event of a detected defect, it must be possible to trace the delivery in question in order to determine the status of the warranty period and identify the total quantity of goods affected. If traceability is not possible in a warranty case and/or product liability case, the contractual partner shall compensate us for any resulting disadvantage. If, due to a lack of traceability on the part of the contractual partner, the warranty period for a defective product cannot be determined, the contractual partner is not entitled to invoke the statute of limitations. This does not apply if the contractual partner can prove that the warranty period has definitely expired regardless of this.
9. If the contractual partner has reservations about the execution desired by HOBART, it must immediately notify us in writing and obtain our opinion.
10. Our contractual partner undertakes to manufacture and deliver the products with the greatest possible consideration for the environment. The contractual partner guarantees the payment of appropriate wages and equal pay for work of equal value without distinction, as well as compliance with the applicable laws governing the general minimum wage and will impose the same obligations on its subcontractors. They further undertake to conduct their business in accordance with all global regulations and, in particular, to observe and strictly comply with human rights, national labour law, regulations on environmental, health and occupational safety and all protective regulations relating to employees and the environment, as well as human rights, in the context of production, and not to violate any applicable anti-corruption or antitrust regulations. Upon request, the contractual partner shall provide evidence of compliance with the above obligations. In the event of a breach of the above assurance and obligation to comply with the applicable laws, in particular those governing the general minimum wage, the contractual partner shall indemnify us against any claims by third parties and shall be obliged to reimburse us for any fines imposed on us in this connection. The contractual partner must respond to enquiries regarding compliance, social responsibility and sustainability in the supply chain within a

reasonable period of time and in accordance with the specified formalities. In addition, if there is suspicion of a breach of obligations arising from possible violations, the contractual partner must immediately investigate and inform us of the investigative measures taken and, in justified cases, disclose the affected supply chain. If the suspicion proves to be justified, the contractual partner must inform us within a reasonable period of time about the internal measures it has taken to prevent future violations. If the contractual partner does not comply with these obligations within a reasonable period of time, we reserve the right to withdraw from contracts with it or to terminate them with immediate effect.

11. Our contractual partner's liability for defects shall be 36 months from the date of installation of the delivered product. This also applies to built-in parts, i.e. parts that are installed in our products without being processed or modified. The provisions of Sections 377 HGB (German Commercial Code) and 442 BGB (German Civil Code) are otherwise waived with the proviso that HOBART retains all claims for material defects even if a recognisably defective or incomplete service is accepted.
12. During the warranty period, our contractual partner is obliged to remedy material defects in deliveries or services within the scope of subsequent performance. The choice of subsequent performance, i.e. rectification of the defects by repair or delivery of a defect-free item, is at the sole discretion of HOBART, whereby the statutory claims existing in addition to the statutory claim for subsequent performance, in particular claims for damages and reimbursement of futile expenses, remain reserved.
13. If our contractual partner fails to fulfil its obligation to remedy the defect within the reasonable period set by HOBART, HOBART shall be entitled to take the necessary measures itself or have them taken by third parties at the expense and risk of our contractual partner. The contractual partner's liability for material defects shall remain unaffected by this.
14. Within the scope of subsequent performance, the contractual partner shall bear the transport, travel, labour, installation, removal and material costs. If, as a result of a defective delivery, we incur costs and expenses in connection with the repair or replacement of the contractual item that we could reasonably have incurred, in particular costs and expenses for sorting, for an incoming inspection exceeding the usual scope, for the examination and analysis of the defect, as well as costs for the involvement of external or our own personnel, the contractual partner shall bear these costs. Section 254 of the German Civil Code (BGB) remains unaffected by this.

## VII. Liability

1. Notwithstanding any other provisions in these terms and conditions or in the contractual agreements, our contractual partner shall be liable for all personal injury, property damage and financial loss culpably caused by it, its employees and/or its vicarious agents and assistants. The obligation to pay damages also extends to measures taken by HOBART to prevent and avoid damage (e.g. recall campaigns).
2. If HOBART is held liable under the provisions of domestic or foreign product liability laws or product liability regulations due to the defectiveness of a product based on the goods delivered by our contractual partner, the contractual partner shall be obliged to indemnify HOBART against these claims, insofar as the claim against HOBART is attributable to the parts delivered by the contractual partner or insofar as the damage was caused by a defect in the contractual item delivered by the contractual partner. In cases of strict liability, however, this shall only apply if the contractual partner is at fault. If the cause of the damage lies within the contractual partner's area of responsibility, they must prove that they are not at fault. The indemnification claim also includes the costs of a precautionary recall. Our contractual partner is also obliged to subject the products and services to quality assurance in line with the latest technical and legal requirements and to provide HOBART with evidence of this upon request. The contractual partner is also obliged to insure itself against all risks arising from product liability, including the risk of recall, in an appropriate amount (at least €5.0 million per individual case) and to provide us with proof of this upon request.
3. Before initiating a recall campaign that is wholly or partly the result of a defect in the contractual item delivered by the contractual partner, we shall inform the contractual partner, give them the opportunity to participate and consult with them on how to implement the campaign efficiently, unless informing or involving the contractual partner is not possible due to particular urgency. If a recall is the result of a defect in the contractual item delivered by the contractual partner, the latter shall bear the costs of the recall, unless they are not responsible for the defect. Any contributory negligence on our part shall be taken into account in determining the amount of the costs to be borne by the contractual partner in accordance with Section 254 of the German Civil Code (BGB).

## VIII. Property Rights, Indemnification

1. Our contractual partner guarantees that its delivery item is free from third-party property rights and that no other rights exist that exclude contractual use in whole or in part.
2. Our contractual partner assumes sole and unlimited liability towards anyone who asserts a violation of property rights or other rights to the delivery items and is further obliged to indemnify HOBART and its customers against any claims asserted by the relevant property rights or copyright holders, unless the contractual partner can prove that it is not responsible for the violation. Our contractual partner is entitled

and obliged towards HOBART to conduct all legal disputes – including legal disputes of our customers arising from such claims – at its own expense and to indemnify HOBART against any costs. In addition, the contractual partner shall immediately provide us with the information and documents relating to its services that are necessary for the defence against such third-party claims upon request. It shall support the freedom from third-party intellectual property rights in relation to the subject matter of the contract by taking appropriate measures, such as researching third-party intellectual property rights, and shall provide us with the relevant documents and analysis materials upon request.

3. The limitation period for indemnification claims is three years. The limitation period for indemnification claims begins at the end of the year in which the claim arose, and we became aware of the circumstances giving rise to the claim and the identity of the debtor, or should have become aware of them without gross negligence. Any longer statutory limitation periods shall take precedence. This also applies to the aforementioned additional claim to information and documents. Claims for material defects shall become time-barred – except in cases of fraudulent intent – after three years, unless the item has been used for a building in accordance with its normal use and has caused its defectiveness. The limitation period shall commence upon delivery of the subject matter of the contract (transfer of risk). Any longer statutory limitation periods shall take precedence.

## IX. Spare Parts Supply

The contractual partner is obliged to guarantee spare parts for the goods delivered to us for a period of at least twelve years after the end of HOBART series production.

## X. Provision

Any materials, parts, containers and special packaging ('supplies') delivered by us against payment or provided free of charge remain our property until full payment has been made, provided that payment is due. These may only be used for their intended purpose. The processing and assembly of the materials provided shall be carried out on our behalf. It is agreed that, in proportion to the value of the materials provided to the value of the total product, we are co-owners of the products manufactured using our materials and parts, which shall be stored for us by the contractual partner. We reserve co-ownership of the products manufactured using our materials until our claims arising from the provision of materials have been satisfied in full. The contractual partner is entitled to resell the products manufactured using our materials in the ordinary course of business under retention of title.

The contractual partner hereby assigns to us in full all claims to which it is entitled from the resale of these products, including ancillary rights. The assigned claims serve to secure our claims arising from the provision of goods. The contractual partner is entitled to collect the assigned claims. We may revoke the contractual partner's rights under this clause if it fails to properly fulfil its obligations to us, defaults on payment, suspends payment, or if it applies for the opening of insolvency proceedings or comparable proceedings for the settlement of debts relating to its assets. We may also revoke the contractual partner's rights under this clause if there is a significant deterioration in its financial circumstances or if such a deterioration is imminent, or if it is insolvent or overindebted. If the value of the securities existing for us exceeds the value of our claims by more than 10%, we shall release securities of our choice at the request of the contractual partner.

## XI. Data protection, Confidentiality

1. We would like to inform our contractual partners that our data processing system stores and processes all necessary data.
2. Our contractual partner is obliged to treat all information (including characteristics that can be gleaned from items, documents or software handed over, and other knowledge or experience) that it receives in connection with an order or the initiation of an order as strictly confidential, i.e. kept secret from third parties, used exclusively for order purposes and may only be made available in the contractual partner's own business to those persons who must necessarily be involved in their use for the purpose of delivery to us and who are also obliged to maintain confidentiality; they remain our exclusive property. Confidentiality also applies to all order conditions. This also applies to the period after completion of the order.
3. Without our prior written consent, such information may not be reproduced or used commercially, except for deliveries to us. Upon our request, all information originating from us (including any copies or records made) and items provided on loan must be returned to us immediately and in full or destroyed. We reserve all rights to such information (including copyrights and the right to register industrial property rights such as patents, utility models, semiconductor protection, etc.). Insofar as this information has been made available to us by third parties, this reservation of rights also applies in favour of these third parties.
4. Products manufactured according to documents designed by us, such as drawings, models and the like, or according to our confidential information or with our tools or replica tools, may not be used by the

contractual partner itself, nor offered or delivered to third parties. This also applies mutatis mutandis to our print orders.

## **XII. Rücktritts- und Kündigungsrechte**

1. We are entitled to withdraw from or terminate the contract beyond the statutory rights of withdrawal if there is a significant deterioration in the financial circumstances of the contractual partner or if such a deterioration is imminent and this jeopardises the fulfilment of a delivery obligation towards us.
2. We shall also be entitled to withdraw from or terminate the contract if
  - a) the contractual partner becomes insolvent,
  - b) the contractual partner suspends payments,
  - c) the contractual partner becomes threatened with insolvency in accordance with Section 18 of the German Insolvency Code (InsO) or its over-indebtedness becomes apparent,
  - d) the contractual partner applies for the opening of insolvency proceedings or comparable debt settlement proceedings in respect of its assets or business, or
  - e) the opening of insolvency proceedings in respect of the contractual partner's assets is rejected due to lack of assets.
3. If the contractual partner has performed a partial service, we shall only be entitled to withdraw from the entire contract if we have no interest in the partial service.
4. If we withdraw from or terminate the contract on the basis of the above contractual rights of withdrawal or termination, the contractual partner shall compensate us for any damages incurred as a result, unless it is not responsible for the occurrence of the rights of withdrawal or termination.
5. Statutory rights and claims are not restricted by the provisions contained in this clause.

## **XIII. (Partial) Contractual Invalidity**

Should one or more of the above provisions be or become invalid in whole or in part, this shall not affect the validity of the contract and the remaining provisions. Our contractual partner and HOBART are obliged to replace the invalid provision with a provision that comes as close as possible to the economic result of the invalid provision, provided that this does not result in a significant change to the content of the contract.

## **XIII. Choice of law, place of performance, place of jurisdiction**

The contract is subject to the laws of the Federal Republic of Germany, excluding conflict of laws provisions and the UN Convention on Contracts for the International Sale of Goods (CISG), even in the case of our foreign contractual partners. The place of performance for all mutual obligations is Offenburg. The place of jurisdiction is Offenburg. HOBART reserves the right to sue our contractual partner at its general place of jurisdiction.