General Terms and Conditions of Purchase of DELO as of June 2022

§ 1 Validity
(1) These General Terms and Conditions of Purchase (GTCP) shall apply to the purchase of goods and services by DELO Industrial Adhesives (Malaysia) SDN. BHD. (hereinafter referred to as “DELO” or “we”).
(2) We order exclusively subject to our General Terms and Conditions of Purchase; general terms and conditions of the contractual partner (hereinafter also referred to as “Supplier” or “Contractor”) shall not apply; even if DELO does not object to them in individual cases and accepts the goods and/or services without reservation in the knowledge of deviating or conflicting terms and conditions. Contractual terms and conditions of the contractual partner to the contrary shall only apply if they have been expressly accepted by us in writing.
(3) These General Terms and Conditions of Purchase shall only apply to companies, legal entities under public law or special funds under public law.

§ 2 Quotations, Order, Acceptance
(1) Quotations submitted to DELO must always be made in writing (in order to comply with this formal requirement within the scope of these GTCP, e-mail is also considered sufficient), binding and free of charge. They shall generally be made in German or English.
(2) It is at DELO’s discretion to accept a quotation. Acceptance by DELO takes place in the form of an offer, through which a binding contract is concluded. The receipt of the offer must be confirmed without undue delay by the Supplier in writing.
(3) DELO can also send an order to the Supplier without the existence of a quotation. If the Supplier does not accept this order in writing within a reasonable period of time, but no later than one week, DELO is entitled to cancel the offer. If the Supplier accepts the order, a binding contract is concluded when the written offer confirmation is sent.

§ 3 Framework Orders
(1) Framework orders are framework contracts concluded over a longer period of time for the provision of services or delivery of goods, of which the exact quantity, timing, etc. has not yet been determined at the time the contract is concluded. The framework order obligations the Contractor to perform services ordered with individual call-offs under the conditions specified in the framework order.
(2) The term of the framework order shall cover the period specified therein and shall begin on the date specified therein.
(3) Services in the context of the framework order are always ordered separately as individual call-offs. The provisions of the framework order shall also apply to all individual call-offs.
(4) There is no entitlement to individual call-offs for the Contractor.
(5) Inssofar as the framework order contains a threshold, the Contractor is obliged to inform the purchasing department of DELO in good time before the limit is exceeded. The deliveries and services must be stopped at the latest when the threshold for orders is reached and may only be continued by the contractual partner after the order value has increased.
(6) A separate invoice shall be issued for each individual call-off.

§ 4 Order of Precedence of Contractual Terms
(1) In addition to these General Terms and Conditions of Purchase of DELO, the corresponding Special Conditions of Purchase shall apply to IT services.
(2) The documents in the following order of priority shall apply to the type and scope of the agreed services:
consensual, individual agreements or a mutually agreed negotiation protocol (if available),
- the provisions of the purchase order or the individual call-off,
- the provisions of (framework) contracts or framework orders (if any),
- applicable Special Conditions of Purchase,
- the present GTCP,
- further guidelines and information provided by DELO to the Contractor,
- the guidelines and technical standards generally applicable to the agreed deliveries and services at the time of conclusion of the contract,
- the Contractor’s quotation.

§ 5 Provision of Contractual services
(1) The scope of the contractual services includes the provision of all machines, equipment, scaffolding, lifting gear, etc. by the supplier required for the performance of the services, unless these have been explicitly agreed as being provided by DELO.
(2) DELO’s consent to drawings, calculations and other technical documents shall not affect the Contractor’s responsibility for the services. This also applies to suggestions and recommendations made by DELO and implemented by the Contractor to agree to changes. If the Contractor identifies that the service description by DELO, a contractually agreed concept or other specifications are objectively not feasible, faulty or unclear, he shall without undue delay send DELO his reasoned opinion.
(3) When carrying out services, the Contractor shall have a special duty of care with regard to environmentally hazardous substances. If the Contractor releases harmful substances during the performance of the services, finds harmful substances or suspects the presence of such substances, he must inform DELO immediately.
(4) If waste is produced by the performance of the service, the Supplier shall generally be responsible for waste disposal, unless the parties have made a different agreement on waste disposal or the performance of the service.
(5) Services being carried out in the buildings or on the premises of DELO must not hinder our operations more than necessary.
(6) The Contractor is responsible for the employees he employs and is authorized to give instructions and must supervise them to the extent necessary. He must also ensure that all employees deployed are covered by the statutory social security insurance.
(7) On request, the Contractor shall name DELO the employees who are on DELO company premises for service provision. For important reasons, DELO may deny access to the company premises to an employee of the Contractor in individual cases.
(8) The Contractor’s employees who are on the company premises of DELO must always register and deregister at the reception desk and carry a visitor’s pass in a clearly visible place.
(9) The Contractor shall ensure that the employees deployed by him comply all legal instructions on occupational safety for employees of external companies as well as other guidelines and applicable regulations.
(10) For services to be carried out on the company premises of DELO, in which substances hazardous to health are used or can be produced, as well as for hot works and services with ignition hazard, the Contractor must apply for a permit. Any obstacles or delays in the service provision due to non-compliance with this obligation shall be borne by the Contractor.
(11) If the Contractor wishes to use third parties to fulfill his performance obligations, the written consent of DELO, which may not be unreasonably withheld, must be obtained.
(12) The Contractor shall draw up the terms and conditions of the contract with the subcontractor in such a way that compliance with the contractual provisions between DELO and the Contractor is ensured.
(13) Upon DELO’s request the Contractor shall hand over his work results via digital data transfer and in a format, which allows DELO unrestricted further processing.

§ 6 Duty of Care, Accident Prevention, Emissions, Fire Prevention
(1) The Contractor shall be obliged to comply with the duty of care, in particular the health and safety of his employees, the protection of the environment, the transport of hazardous goods, and laws, ordinances and regulations relating to fire prevention, including the guidelines of the professional associations and the association of property insurers, as far as they are relevant to the performance of the services.
(2) The Contractor shall ensure that the work he performs is done in an environmentally-friendly manner as well as consciously with regard to safety and fire prevention.
(3) Fire prevention requirements as requested by DELO must be fulfilled in any case. If services associated with fire hazards cannot be avoided or in the vicinity of installations with fire and/or explosion hazard, such as oil tanks, cable systems, etc., they may only be carried out with the permission of DELO. Follow-up checks must be carried out after the services have been completed.
(4) In accordance with § 18, the Contractor shall indemnify DELO from all claims arising from a violation of the regulations to be observed by the Contractor in connection with the performance of the services. This shall also apply to claims for damages from third-party facilities resulting from the service provision; the Contractor shall obtain detailed information about such third-party facilities from all competent authorities before commencing the services. If damage occurs, DELO must be notified without undue delay.

§ 7 Provision of Materials, Cooperation by DELO
(1) Required provisions (e.g. products supplied by us for installation in the goods to be created) or cooperation by DELO must be agreed between DELO and DELO at the beginning of the contract. The Contractor shall inform DELO in writing and in good time in advance of any required cooperation or provision of materials. If DELO does not fulfill these obligations or does not fulfill them in time despite prior written notification by the Contractor, the Contractor will (i) request DELO in writing to cooperate or supply, while stating the precise duty and setting a reasonable deadline (at least one week) and (ii) make all reasonable efforts to perform the service even without the (timely) fulfillment of the duty to supply or cooperate. Only after two unsuccessful requests in accordance with (i) above can the Contractor demand any additional costs incurred for the time after the second unsuccessful request from DELO.
(2) Any materials provided by DELO as well as any tools, drawings or other documents provided to the Supplier in connection with the conclusion or execution of the contract shall remain our unrestricted property. The Supplier shall be liable for loss or damage to the delivered items which do not result from normal wear and tear.
(3) Processing or alteration of goods supplied by the Supplier shall be carried out for us. Insofar as the provided materials are processed with other items not belonging to us, we shall acquire co-ownership of a newly created item in proportion to the value of our provided materials to the other processed or transformed items at the time of processing or transformation. If provisions are inseparably mixed or combined with other items not belonging to us, we shall acquire co-ownership of the new item in proportion to the value of the provisions to the other mixed or combined items at the time of mixing or combining. If the mixing or combination leads to the fact that the Supplier’s items are to be regarded as the main item in relation to the items provided by us, the Supplier shall transfer to us proportionate co-ownership of the new item and shall keep it safe for us.

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§ 8 Delivery, Transfer of Risk, Packaging
(1) Deliveries shall be made DDP in accordance with INCOTERMS®2020 to the shipping address specified in the order or otherwise contractually agreed.
(2) If, in exceptional cases, other delivery conditions than DDP are agreed (INCOTERMS®2020), according to which the Supplier is not responsible for transport insurance and the costs thereof, we have concluded ourselves a transport insurance. The Supplier must therefore inform the buyer that we expressly prohibit cover policies for a separate transport or storage insurance or a separate liability insurance (together “transport insurance”) by the forwarder commissioned by the Supplier. If a forwarder charges us costs in connection with the conclusion of transport insurance, we are entitled to deduct these costs from the Supplier’s invoice. This shall not affect statutory claims in the event of transport damage.

§ 9 Delivery and Inspections
The delivery shall be inspected by us or a third party commissioned by us for identity, content-related correspondence between the order and the delivery, as well as obvious and externally recognizable transport damage within a period of two weeks from the day of its contractual handover; the Supplier shall be notified thereof. We shall check the delivered material for identity according to the description on the basis of the delivery documentation and the marking on the outermost packaging of the goods. There is no further obligation to carry out a technical incoming goods inspection. We may, however, conduct such investigations on our own or at the Supplier’s site when the material is delivered.

§ 10 Acceptance of Services
(1) With the exception of the services, the services to be rendered by the Contractor require acceptance.
(2) Upon completion of the service provision, the Contractor declares in writing that the work result is ready for acceptance. Any necessary acceptance dates shall be mutually agreed between the parties within a reasonable period of time after notification of the completed work. During acceptance, DELO checks whether the delivered service or the work result for the contractually agreed purpose fulfills the agreed functionalities and performance characteristics. If, during acceptance, defects are found which make acceptance impossible, the Contractor shall remedy these without undue delay and, after remedying them, declare that the goods are again ready for acceptance.

§ 11 Dates, Delay
(1) All delivery and service dates stated in the order or otherwise contractually agreed are binding. The fulfillment of the performance obligation or the arrival of the performance results at the shipping address or at the shipping address or receiving point specified in the order is decisive for their compliance. If an acceptance test is contractually agreed, the actual completion date is decisive. Even in the event of early performance or delivery, we shall be entitled to deduct the additional expenses incurred as a result, e.g. storage costs, from the purchase price.
(2) Without undue delay, the Supplier must notify DELO of any identified delays in delivery or performance, their causes and the expected duration. If, in such a case, accelerated transport of the goods is necessary in order to meet the agreed delivery or performance dates, the Supplier shall bear the additional expenses incurred for this in the event of delays for which he is responsible. Partial deliveries and services require the consent of the person authorized by DELO.

§ 12 Ownership, Rights of Use
(1) After payment, DELO obtains ownership of the delivered and/or created contractual objects. Any right of use is expressly excluded.
(2) If a transfer of ownership rights to the results of the contractual performance is not possible, DELO shall receive exclusive, worldwide, transferable and sublicensable rights of use, unlimited in time, content and scope. These rights of use also extend to DELO to make copies, expand and repair the performance result. In addition, DELO is also entitled to the aforementioned rights of use for illustrations, drawings, calculations, analysis methods, recipes, programming and other performance results that are evaluated or developed by the contractor in the execution of the contract. DELO is entitled to transfer them to third parties, in particular for the purpose of maintenance and/or reproduction of spare and replacement parts.
(3) If the acquisition of the rights of use in accordance with the preceding paragraph is opposed to the rights of third parties to components included in the performance results, the scope of the rights of use of DELO is to be agreed accordingly in individual contracts.

§ 13 Tools
If the Supplier manufactures tools at our expense for the execution of the contract, it is agreed that these tools shall become the property of DELO after payment. The handover is replaced by the fact that the Supplier is entitled to keep the tools on loan until the contract is completed. The Supplier shall insure the tools against fire, water, theft, destruction and other damage at replacement value at his own expense. He is obliged to carry out any necessary maintenance and inspection work at his own expense and in good time. He must notify us immediately of any incidents. Any claims for damages on our part shall remain unaffected. Without our consent, the Supplier is not entitled to use these tools to carry out other orders for third parties or to sell the tools. At our request, he shall be obliged to return the tools to us after execution of the contract. We are entitled to inspect these tools at the Supplier’s premises at any time, and the Supplier shall grant us access to them.

§ 14 Prices, Terms of Payment
(1) All prices are fixed prices, unless explicitly agreed otherwise, and include all costs, charges, expenses and travel costs. They are subject to the statutory value added tax. All prices are to be indicated in RM. If the Supplier has another currency, the amount in the respective national currency must also be indicated for information purposes only. Possible price adjustment clauses or similar shall not apply. If no special agreement has been made, the prices are DDP (to INCOTERMS®2020) including transportation charges.
(2) Remuneration is payable within 14 days of receipt of a properly issued invoice with 2 % cash discount or within 30 days net cash from receipt of a properly issued invoice or delivery of goods or provision of services, if this takes place later and unless otherwise agreed. In the event of defective delivery, the term shall not commence before a delivery free of defects.
(3) Payments shall only be made based on invoices. The invoice must clearly show the relevant service. A separate invoice must be issued for each order number. Invoices shall be sent in single copies, “as-constructed” drawings for settlement and other supporting documents in duplicate. The order number, the order item number, the service recipient and the ordering company must be indicated on the invoices. Settlement documents and documentation (test certificates, parts lists, work certificates, acceptance protocol, measurements, plans, etc.) must be enclosed. Advance payments already received shall be deducted from the invoice amount.
(4) Additional services outside the agreed scope will not be remunerated unless the contractual partners have agreed this in writing in advance.
(5) The invoice shall be sent electronically to DELO ( ).
(6) Payment by us does not constitute recognition of conditions and prices which have not previously been effectively agreed. The time of delivery of payment has no influence over the rights in respect of complaints or defects to which DELO is entitled to.

§ 15 Remuneration Based on Time and Material
(1) If, in exceptional cases, a remuneration based on time and material has been expressly agreed, the hourly or daily rate agreed for this purpose shall apply.
(2) Unless otherwise agreed, the Contractor shall unsolicitedly submit daily activity reports, including a carbon copy, for signature to DELO. An activity report shall contain at least the following information: company names of DELO and Contractor, order and accounting data, name and qualification of the executing employees, description of the services rendered, start, duration and end of the service provision, material used, if applicable.
(3) The Contractor shall submit the signed activity reports together with the relevant invoices.

§ 16 Liability for Defects, Warranty
(1) We are entitled to statutory warranty rights without restriction. Except in the case of services, we are therefore entitled, after setting a reasonable deadline, to order the Supplier to rectify the defects for free of charge or to remove the defect or delivery of a defect-free item including the associated documentation. All costs incurred in the course of subsequent performance shall be borne by the Supplier. If subsequent performance fails, we shall be entitled to statutory rights to replacement, reduction, withdrawal and damages without limitation.
(2) If DELO informs the Supplier of the intended use of the goods to be delivered, the Supplier guarantees the suitability of his delivery and service for this purpose.
(3) Warranty claims for defects shall become time-barred 24 months after the transfer of risk or acceptance, unless a longer period is stipulated by law.

§ 17 Property Rights of Third Parties
(1) The Supplier warrants that the goods and services are free from third-party rights and that the delivery and service does not infringe any third-party rights.
(2) If contractual changes are required due to violations of third-party rights, the Supplier shall do everything reasonable within the scope of subsequent performance to conform contractual conditions by acquiring rights. If the acquisition of rights is not successful, the Supplier will provide us with equivalent contractual services and goods which do not infringe the rights of third parties.

§ 18 Liability, Indemnity
(1) The liability is based on the statutory provisions.
(2) Upon first request, the Supplier shall be obliged to indemnify us without limitation in terms of amount against any liability to third parties or against all claims of third parties and associated costs arising from the manufacture, delivery, storage or usage of the delivered products or services rendered, including all claims due to the infringement of third-party property rights.
(3) The obligation to indemnify shall not apply if the claim is based on a culpable breach of duty on our part.

§ 19 Insurance Cover
During the term of this contract, including warranty and limitation periods, the Supplier is obliged to maintain a business liability insurance cover valid worldwide, in particular for the NAFTA regions as well, with conditions customary in the industry and a minimum coverage of € 3,000,000 per damage event. Lower coverage must be agreed with DELO in individual cases. The insurance must also adequately cover the risks arising from product liability, including the risk of recall. The insurance policy or a suitable cover note from the insurer must be submitted to us immediately on request. Any further claims for damages remain unaffected.

§ 20 Quality Assurance, Change Management
(1) The Supplier undertakes to ensure permanent quality assurance of its goods by applying a suitable quality assurance system, e.g. DIN EN ISO 9001 et seq., or equivalent, or other suitable quality tests and controls during and after the manufacture of his goods. These tests shall be documented by the Supplier.
(2) The Supplier shall be obliged to have spare parts available during the service life of the goods as known from experience. In the event of product changes and/or product discontinuations, the Supplier is obliged to take suitable measures to ensure continued delivery and to inform us without undue delay after becoming aware of such changes and/or discontinuations.
(3) The Supplier must inform us unsolicitedly about changes concerning:
- material composition
- description of the product
- test methods and equipment
- change of production site
- reserved storage conditions
- safety-relevant changes to the safety data sheet

Insofar as the change may be of significance to us. If a change refers to an ongoing contractual relationship, this requires a written, mutually agreed change to the contract.
(4) For this purpose, the Supplier must regularly inquire with his Suppliers about planned product changes/discontinued products, inform us about possible alternative products and provide us with the relevant data sheets, samples, etc., without being asked. Upon receipt of a notification of amendment/notice of discontinuation, we shall only have the right for at least 60 days to place a final purchase order with the Supplier on the terms and conditions applicable at the time of receipt of the notification of amendment/notice of discontinuation. If the Supplier violates this obligation, he shall be obliged to compensate us for any damages incurred as a result.

§ 21 Audit
DELO is entitled, after consultation with the Supplier, to carry out quality audits at the Supplier’s premises, either himself or through commissioned third parties who have been obliged to maintain secrecy by DELO. The Supplier shall not unreasonably withhold his consent.

§ 22 Confidentiality; Prohibition of Filming and Photographing
(1) If we have concluded a separate non-disclosure agreement with the Supplier, this shall apply accordingly to all information disclosed in connection with a delivery, service or otherwise. In other words, all the following regulations apply:
(2) The Supplier shall keep all illustrations, drawings, calculations and other documents and information confidential, including information on production and operating equipment and processes, which have been disclosed to him in connection with the delivery in oral, written or other form and which have been marked or designated as confidential or are confidential by their nature ("Confidential Information"). In case of doubt, the Supplier shall be deemed to be informed in writing of the supplier's obligation to keep such information confidential and to be regarded as Confidential Information. This shall not apply to information which (i) is generally known or is lawfully made publicly available, (ii) was lawfully known to Supplier before he received it from us, (iii) the Supplier has developed independently without recourse to or use of the information received from us, (iv) the Supplier has received lawfully and without an obligation of secrecy from third parties who in turn have acquired such information lawfully and without an obligation of secrecy, which are required to disclose such information in accordance with their due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas and Section 1502 of the US Dodd-Frank Act. The Supplier shall also undertake to identify the disclosure of Confidential Information to employees is only permitted to the extent necessary for the performance of the contractual obligations incumbent on the Supplier.
(3) The obligation of Confidentiality shall apply for a period of five (5) years after complete delivery or after completion of the services. The Supplier may not use Confidential Information for his own purposes beyond the execution of the contract in question. The Supplier shall hold the Confidential Information confidential to us as a result of a breach of the above-mentioned confidentiality obligations.
(4) Filming and taking pictures is prohibited on the company premises of DELO. The Contractor is only allowed to make videos and photos if this has been approved in advance in writing by DELO or if the Contractor makes the recordings to document his own services. In this respect, the Contractor is subject to the image control by DELO. Recordings violating this prohibition must either be deleted or returned to DELO.

23 Data Protection
(1) The contractual partners undertake to comply with the applicable statutory provisions on data protection. The Supplier assures that he has taken appropriate technical and organizational measures to implement the relevant data protection regulations.
(2) If the Contractor receives access to personal data in the course of providing the contractual services, he shall observe the applicable data protection regulations, in particular, process personal data exclusively for the purpose of providing the contractual services (purpose), ensure that his employees only have access to the data to the extent absolutely necessary, obligate his employees in writing to maintain data secrecy, instruct them about the data protection regulations to be observed and prove this to DELO on request. The Contractor assures to protect personal data according to the state of the art.
(3) Processing of personal data by the Contractor on behalf of DELO is generally not intended. If, however, this has been agreed by mutual consent of the contracting parties in exceptional cases, an agreement regarding contract data processing must be concluded before the Contractor has granted its employees access to personal data. Deviations from this are to be expressly agreed in writing between DELO and the Contractor and are subject to a conclusion of the necessary contracts.

§ 24 Advertising, Naming of Reference Customers
The Supplier is only permitted to make advertising references, of whatever type and scope, to the business relationship existing between us and the Supplier, in particular reference customer names, with our express prior written consent. The Supplier shall be liable for all damages incurred by us as a result of a breach of the above-mentioned confidentiality obligations.

§ 25 Customs Declaration, Export Control
(1) If the Supplier is based abroad or if he imports goods, he shall assume responsibility for the correctness of the declaration of the goods, which must comply with the applicable customs regulations and the applicable foreign trade law. The Supplier can also provide a long-term Supplier’s declaration which is valid for one year. The Supplier shall be liable for costs resulting from the neglect of the declaration obligation.
(2) In particular, the Supplier shall ensure on his own responsibility that the goods or parts thereof to be supplied by him are not subject to national or international export restrictions. Should products or parts thereof be subject to such an export restriction, the Supplier shall procure the necessary export licenses for worldwide export at his own expense.
(3) In the event of violations of export restrictions for which he is responsible, the Supplier shall expressly indemnify us from any liability and responsibility in the event of a violation of international or national law, and shall bear all damages incurred by us due to the violation.

§ 26 REACH, CLP, RoHS, Conflict Minerals
(1) The Supplier shall also be responsible for ensuring that the goods comply with the provisions of Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as amended. In particular, the substances contained in the goods have been pre-registered or registered to the extent required under the provisions of REACH. In accordance with the provisions of REACH, the Supplier shall provide us with safety data sheets and further necessary information without being requested to do so. In particular, restrictions and/or bans of substances or uses and any contents of substances on the candidate list (SVHC) must be observed and communicated. The information should be sent to compliance.chemie@delo.de.
(2) Chemical raw materials shall be classified, labeled and packaged in accordance with the REACH Regulation (EC) No 1272/2008 (“CLP”)
(3) The Supplier shall also be responsible for ensuring that the goods or parts thereof to be supplied by him comply without restriction with the requirements of Directive 2011/65/EU as amended on June 08, 2011 (RoHS II) and Directive (EU) 2015/863 as amended on March 31, 2015 (RoHS III) and all subsequent amendments as well as the national regulations issued within the European Union in implementation of this Directive (e.g. ElektroStoffV) and are suitable for RoHS-compliant manufacturing processes. The Contractor shall inform us about the earliest possible time of availability of RoHS-compliant contractual products. As far as contractual products cannot be delivered RoHS-compliant, we reserve the right to withdraw from the respective framework or individual contract.
(4) The Supplier undertakes to make the contractual delivery item according to the provisions of Regulation (EU) 2017/821 of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas and Section 1502 of the US Dodd-Frank Act. The Supplier also undertakes to identify the...
use of so-called "conflict minerals" (tin, gold, tantalum, tungsten) in his supply chain and to take appropriate measures to ensure that the delivery item does not contain any conflict minerals in accordance with the Regulation (EU) 2017/821 of 17 May 2017 and Section 1502 of the US Dodd-Frank Act.

(5) In the event that the Supplier violates any of the above obligations, we are entitled at any time to cancel the corresponding order immediately and to refuse acceptance of the corresponding delivery without any costs incurring to us. We expressly reserve the right to assert further claims for damages.

(6) In the event of a breach of one of the aforementioned obligations and provi- sions, the Supplier shall expressly indemnify us against any third-party claims as- serted against us or damages and claims resulting therefrom, irrespective of the legal basis, and shall hold us harmless and indemnify us to this extent.

§ 27 Supplier's Compliance with the Minimum Wage Obligations

(1) The Supplier is obliged (i) to pay the minimum wage to his employees em- ployed by him.

(2) The Contractor shall also ensure that the employees deployed by his subcon- tractors receive the statutory minimum wage. He shall also ensure that mandatory obligations to pay contributions to social security agencies, professional associa- tions and other bodies are complied with.

(3) Illegal employment of any kind shall be prohibited. The Contractor undertakes to comply with statutory minimum wages at all locations worldwide.

(4) If the Supplier culpably violates the obligations under § 15 (1) to (3), DELO is entitled to terminate the contractual relationship with the Supplier without notice without the need for a prior warning. In addition, the Contractor shall be liable to DELO for any damage incurred by the principal as a result of culpable non-com- pliance with the obligations under (1) to (3) above.

(5) The Supplier shall indemnify DELO upon first request from all claims of third parties which are based on a violation of his obligations or on the violation of the obligations of subcontractors/lenders commissioned by him. This duty to indemnify applies to both civil liability and fines imposed on DELO due to the Supplier's violations or the violations of the subcontractors/lenders employed by the Supplier. The obligation to indemnify shall also apply in respect of the legal prosecution and legal defense costs incurred in connection therewith, insofar as the claims and demands asserted are based on an alleged breach of the obligations incumbent on the subcontractor or a subcontractor employed by the subcontractor. The obli- gation to indemnify expressly also applies to claims of social insurance agencies and tax authorities.

§ 28 Complying with Legal Provisions

(1) The Supplier shall ensure on his own responsibility that the goods or parts thereof to be delivered by him or the services to be rendered comply with all ap- plicable laws, guidelines, ordinances or other public law provisions and regulations of authorities and professional associations.

(2) The Supplier expressly exempts us from any liability and responsibility in the external relationship, irrespective of the legal grounds, for violations of one of the provisions mentioned in § 25, § 26, § 27 for which he is responsible, and shall bear all resulting damages.

§ 29 Corporate Social Responsibility, Compliance

(1) The corporate culture and policy of DELO requires impeccable conduct to- wards business partners and prohibits any conduct that could damage the good reputation of the respective business partner. The Supplier is obliged to comply with all relevant legal requirements, such as laws against corruption, bribery, money laundering, cartel violations, tax offences and fraud. Under no circum- stances will the parties pay, offer, accept or demand, directly or indirectly, bribes or other forms of inducement or reward for any act or omission in connection with this agreement.

(2) DELO attaches great importance to social responsibility in his corporate activ- ities and supports the UN Global Compact initiative. DELO expects Suppliers to observe and comply with the internationally recognized principles of the UN Global Compact initiative and the core labor standards of the International Labor Organ- ization (ILO).

(3) In compliance with Regulations (EC) No 881/2002 and (EC) No 2580/2001 of the Council of the European Union, which are applicable in every EC Member State, a prohibition to make funds or economic resources, directly or indirectly, available to any natural or legal person, group or entity was introduced for the purpose of combating terrorism. The Supplier undertakes to respect this prohibi- tion and to check whether the name of any of his business partners and employ- ees is identical with a natural or legal person, group or entity included in the lists published as annexes to the Regulations. In the event of a name identity, business transactions with these persons, groups or organizations shall not be made.

(4) In the event of any breach of the standards, laws and regulations referred to in paragraphs (1) to (3) above, DELO shall have the right to terminate the Agreement by extraordinary notice.

§ 30 Termination

(1) DELO is entitled to an ordinary right of termination at any time. In the event of ordinary termination, the Contractor shall be entitled to the remuneration due for all deliveries and services provided up to the effective date of termination. Any further claims are excluded.

(2) The right to terminate for good cause remains unaffected.

(3) If DELO terminates the contract extraordinarily for good cause and if the Con- tractor is responsible for this, the Contractor shall only be entitled to remuneration for the deliveries and services provided so far, provided that DELO has an interest in the partial services provided so far.