

In order to ensure that the joint cooperation runs smoothly, it is important to observe and comply with the instructions and procedures described below. Please note that some of the points listed will also be included in our supplier evaluation, so non-compliance could have negative consequences. It is obligatory to observe the following points:

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1. General, applies to every order

1.1 Address, contact details

Please direct your correspondence to the following address:

Hammelmann GmbH
Carl-Zeiss-Straße 6-8
59302 Oelde
DE - Germany

Telephone: +49 (0) 25 22 / 76 - 0

E-Mail: purchase@hammelmann.de
(or to the contact persons named in the respective orders)

Invoices sent electronically must be sent to the email address eingangsrechnung@hammelmann.de

Acceptance times for goods:

Monday to Friday: 7 a.m. - 3.30 p.m.
(exceptions are only possible by prior arrangement)

1.2 Conditions of Purchase

Our Conditions of Purchase shall not be affected by these guidelines and shall remain in full force and effect.

1.3 Code of Ethics

The Interpump Group, to which Hammelmann GmbH and its subsidiaries belong, has adopted a Code of Ethics. It applies to all employees of the Hammelmann Group and to our customers and suppliers. The Code of Ethics makes it clear that Hammelmann GmbH is aware of its role in society and its responsibility towards business partners, shareholders and employees. The way Hammelmann GmbH and its employees act is determined by responsibility, honesty, loyalty and respect for others and the environment. The Code is intended to encourage employees to act responsibly and to offer them guidance for how to do this. At the same time, it specifies goals and principles for the business activities of Hammelmann GmbH. In particular, we require our suppliers to adhere to the rules of the Code. The full version is available at www.hammelmann.de (Service > Download-Portal > Unternehmen > Ethik Kodex). If you are not able to adhere to the rules mentioned there, please let us know.

1.4 Presents, personal gifts

In general, we ask you not to give gifts or personal benefits to our employees. We try to establish a cooperative relationship with our suppliers based on partnership and trust, which from our point of view does not require any personal gifts to our employees.

1.5 Written form, responsibilities

Orders must always be placed in writing by our purchasing department. If you accept orders placed verbally or by telephone, or orders that are not placed by our purchasing department, we reserve the right to refuse acceptance of the goods.

All commercial information, questions and comments must be sent to the purchasing department. When clarifying technical issues with one of our technical staff, please inform the purchasing department at the same time. Agreements made orally should be confirmed by you in writing in short form for the protection of both parties and a copy attached to the delivery documents.

1.6 Documents in general

Please ensure that the forms you send us and the imprint exhibit sufficient contrast, as we always archive invoices by scanning them after processing them.

1.7

Supplier evaluation

We usually produce an annual supplier evaluation which we make available to our suppliers.

The following criteria are assessed:

Compliance with deadlines	Evaluation factor:	15%
Compliance with volumes	Evaluation factor:	10%
Quality score	Evaluation factor:	50%
	(results from the incoming goods inspection or quality inspection)	
Certification	Evaluation factor:	10%
	- ISO 9001	(40%)
	- ISO 14001	(20%)
	- BS OHSAS 18001 / ISO 45001	(20%)
	- ISO 50001	(20%)
	(results from the certificates we hold)	
Dealing with complaints	Evaluation factor:	10%
Price stability	Evaluation factor:	5%
	(results from the delivered basket of goods of the year assessed compared to the previous year)	

The supplier code (SC) is determined from the above criteria on the basis of the specified evaluation factors. This, in turn, results in the classification into classes A, B or C supplier (SC 90 to 100% = A supplier, 80 to less than 90% = B supplier, less than 80% = C supplier).

We strive to work preferably with A suppliers. *In addition, an audit of the suppliers' premises is possible at any time.*

1.8

Management systems

If you are certified according to DIN EN ISO 9001 or IATF 16949, ISO 14001, BS OHSAS 18001/ISO45001 or ISO 50001, please ensure that a copy of the certificate is made available to us. This also applies to the renewal of the certification. We must be informed immediately if the certificate is revoked. This criterion is part of our supplier evaluation.

We prefer suppliers who are certified according to ISO 14001 (environmental management) according to the standard BS OHSAS 18001 / ISO 45001 (occupational health and safety) and according to ISO 50001 (energy management). When procuring capital goods, life cycle costs and energy efficiency are taken into account. Therefore, energy consumption is used as a criterion for the evaluation. If you have these certifications, please send us a copy of the relevant certificate.

1.9

Required data on delivery documents

It is a mandatory requirement of our incoming goods system that the following data are specified on your delivery documents: Hammelmann order number and Hammelmann part number. You can find these data on all of our orders. This criterion is part of our supplier evaluation.

1.10

Prices, conditions, terms of delivery

1.10.1

Price increases

It should not be assumed that prices may/must be increased regularly. There are always opportunities to keep prices constant or reduce them through optimisation.

Price increases requested by you must be agreed with us. Unilaterally implemented price increases will not be recognised. Agreements made on price adjustments must be confirmed by you in writing.

The prices stated in the order can only be increased with our written consent. If we are notified with your order confirmation of price increases which have not been agreed and which we object to, this situation will lead to the difference being debited if the increased price is nevertheless charged, unless you provide a clarification.

This criterion is part of our supplier evaluation (the average change in prices in a year compared to the previous year will be evaluated with reference to the basket of goods supplied).

1.10.2

Payment targets

Our standard payment target is: 14 days 3% discount, 60 days net. Other payment targets agreed with you will be specified in our order. We will not recognise unilateral changes to payment targets.

1.10.3 Delivery terms

Our standard delivery term is "free domicile" (DDP).

Other delivery terms agreed with you will be specified in our order. We will not recognise unilateral changes to delivery terms.

1.10.4 Price approval/Price notification

For items in an order without a specified price, the applicable price less discount must be notified to us immediately or submitted for approval.

It is not possible for us to record the receipt of goods unless we know the price. The payment deadlines start with the date we record the receipt of goods in our company.

If we do not know the price in advance, we reserve the right to withhold payment until final clarification that the price is correct (start of the payment deadline after final clarification), and to withdraw from the contract if no agreement is reached.

1.10.5 Over-delivery and under-delivery

As a rule, a maximum of 10% over- or under-delivery is permissible. If we require an exact quantity which must not be over- or under-delivered, this will be stated in the respective order.

If the maximum permissible over-delivery quantity is exceeded, we reserve the right, by mutual agreement, to value-date the corresponding invoice or to return the excess quantity delivered to you at your expense.

In the case of under-deliveries, a corresponding note must always be on the delivery stating that there is an under-delivery, i.e. that there will be no further deliveries. This criterion is part of our supplier evaluation.

1.10.6 Partial deliveries

Partial deliveries are only permissible after prior agreement or notification. The general aim should always be to provide a complete delivery. If you make partial deliveries because, for example, you cannot deliver the complete delivery quantity on the confirmed date, you must bear the freight and packaging costs for the second and each further delivery. If we request partial delivery because, for example, a partial quantity is already required before the confirmed delivery date, the assumption of costs for freight and packaging must be agreed in advance.

Please indicate on the delivery papers if it is a partial delivery.

1.10.7 Delivery dates, delivery reminders

The delivery dates listed in our orders apply in each case to arrival in Oelde. The dates specified are based on our requirements from our production planning and must therefore be adhered to, i.e. deliveries must not be early or late.

If deadlines are missed, we will send out delivery reminders in the following week. It is extremely important for our production planning that you respond to these delivery reminders promptly. However, the ultimate goal must of course be that the delivery dates are met as confirmed by you.

If deadlines are missed, there will be a corresponding negative rating given in our supplier evaluation. If you are aware that a delivery may be delayed at an early stage, i.e. before we send you a reminder, we will of course be happy to look at the deadline sympathetically and correct the confirmed delivery date, provided our production planning allows this.

1.10.8 Document delivery with the goods

If documents (acceptance test certificates, dimensional protocols, operating instructions, spare parts lists, safety data sheets, etc.) are included in our order, unless a different medium is noted in the order, those documents must be sent as pdf files by email to the address: zeugnisse@hammelmann.de. Paper documents should be attached to the delivery papers.

In the case of hazardous substances, a current safety data sheet must always be attached to the delivery.

The documents must indicate the Hammelmann order number and the Hammelmann part number, otherwise assignment is not possible. The delivery will not be complete until all requested documents have been received by our company (receipt of delayed document deliveries = start of payment deadlines). This criterion is part of our supplier evaluation.

1.11 Technical deviations of the goods to be delivered

1.11.1 Deviations / special approvals

We must be informed immediately of deviations which are determined by you in advance compared to the target condition of the goods. If we issue a special approval, this must be noted on the delivery note, the applicable parts must be visibly marked and packed visually separately from the good parts.

1.11.2 Complaints

1.11.2.1 Returns of goods due to complaints

In the event of a complaint, we will prepare 8D reports which we will send to you with the measures we have defined. If we return goods for rework or remanufacture, a debit note will be issued based on your invoice for the goods returned to you. The new delivery of the reworked or remanufactured goods must be invoiced again; we will not cancel the debit note!

1.11.2.2 Comments on complaints

It is imperative that you provide us with comments on the 8D reports in a timely manner (causes of errors, corrective actions, etc.). We hope that this will help to avoid errors in future orders.

This criterion is part of our supplier evaluation (complaints handling criteria are, e.g. prompt sending of the comments, content of the comments, behaviour in case of rework or remanufacture, etc.).

1.12 Shipping choice

In the case of delivery "free domicile", we leave the choice of carrier or parcel service to you.

If carriage forward deliveries have been agreed, you must follow the procedure below: Please send the dispatch completion notification to shipping@hammelmann.de with the following data:

- Dimensions, weights, type and number of packages
- Collection times
- Contact person (phone number, email)

Hammelmann's shipping department will then send notice of the collection by email.

1.13 Invoices

Invoices must be sent to us separately, i.e. not together with the goods.

The date of receipt of the invoice at our premises (or the date of receipt of the goods or the date of receipt of documents included in the order) and the date of issue of our payment will serve as the basis for calculating the deadlines for the payment terms. Include the following legal notice: "The discount period will only commence upon receipt of the invoice by the invoice recipient. Otherwise, the issuer of the invoice would be able to send the invoice so late that a discount would no longer be possible. The question of whether the agreed discount period has been observed is not based on the time the payment is received by the payee but on when the payer carries out the payment transaction (see OLG Düsseldorf, judgment of 19/11/1999, case no. 22 U 90/99, NJW-RR 2000 p. 545). The timely dispatch of the crossed cheque is sufficient for this (see BGH, judgment of 11/02/1998, case no. VIII ZR 287 - 97 [Frankfurt a. M.], NJW 1998 p. 1303). It is not necessary that the discounted amount has already been debited from the debtor's account before the deadline expires."

Invoices issued at the end of the month must reach us by the 3rd working day after the start of the following month, otherwise it is no longer possible to post the payment for the old month, which may result in a delay in the processing of payments.

2. Components based on drawings

2.1 Content of the order confirmation for drawing parts

We do not check technical details listed in order confirmations for orders of drawing parts in detail. The supplier is responsible for the exact execution according to the drawing. We are not obliged to object to technical details that are specified incorrectly in the order.

The revision status of the underlying drawing must be confirmed in the order confirmation. The indication of the drawing number and the revision status clearly describe the order content.

2.2

Marking the parts to be delivered

It is clear in the upper left corner of the title block of the drawing (with a cross in the respective field) whether and which markings should be added to the parts to be delivered. The place where the marking should be applied is indicated by "beta" in the drawing. Please also note if there are additional specifications for markings in the drawing and/or the order.

Plastic parts generally do not need to be marked.

Example of marking (for toothed parts also indicate the number of teeth):

01.06180.0139	- 003 -	281186
(Drawing no.)	(Revision)	(Order no.)

If the order or the drawing does not state otherwise, the parts must be marked accordingly (e.g. with dot marking or laser engraving, etc.).

If this type of marking is not possible for technological reasons, please inform us immediately! However, please note that suppliers who can provide marked components will be given preference.

2.3

Handling / Packaging

When processing and packaging of the ordered parts, take care to ensure that no damage occurs to the parts. In parts with specially treated surfaces (e.g. through grinding, polishing, curing, coating, etc.) or quality features such as fitting dimensions, threads (external), sharp edges, etc., it is particularly important to ensure that no impact points, scratches etc. can occur during shipping (no bulk products!). In addition, because of the BS OHSAS 18001 / ISO 45001 (Occupational Health and Safety) standard, appropriate packaging must be selected for sharp-edged parts to ensure that employees are not injured when handling the items. Likewise, according to ISO 14001 (environmental management), environmentally-conscious packaging must be specified that is recyclable and reusable. Moreover, in terms of the choice of packaging, it must be ensured that materials are used which do not damage the parts either mechanically or chemically. In addition, corrugated cardboard should be used because of outgassing to reduce the risk of corrosion. Before packing painted parts, it is essential to check that the paint has cured.

Please ensure that the above regulations are requirements and do not entitle you to charge extra costs!

2.4

Confidentiality / return of technical documents

You are obliged to treat all commercial, technical and operational information provided or otherwise made known within the scope of this order as confidential and not to make it accessible, either directly or indirectly, to third parties, either in whole or in part. This applies in particular to drawings, parts lists and work plans.

In addition, you are obliged to use the documents provided exclusively for the purposes provided for in the contract. At the end of this order or otherwise at the request of Hammelmann GmbH, you must immediately return all documents in your possession to the customer. This applies to originals as well as copies.

Documents must be returned without being requested after completion of the order with the delivery note (date of receipt of the documents = start of the term of payment or the discount period). Even if orders and drawings are sent by email in the form of a pdf file, we request that a printout of the drawing be returned with the goods.

Electronically transmitted data (pdf files, parts lists, CAD data, etc.) must be irrevocably deleted after completion of the order and must not remain in your IT system.

Other mutually agreed confidentiality, cooperation, exclusivity agreements or other agreements of a similar character must be fully observed and complied with.

2.5

D-part

If the drawing is marked with a "D" in the title block, it is a part that requires documentation. The following must be noted:

- The material used must be documented with an acceptance test certificate in accordance with EN 10204-3.1 (or as specified in our order), unless this has been provided to you by us; the certificate must be enclosed with the delivery.
- D parts are subject to batch tracking, i.e. it must be clearly traceable which component was manufactured from which batch of raw materials. This regulation does not apply to components from orders that begin with the Hammelmann part no. 05 or 06.

For this purpose, the following procedure applies if the raw material required for the order was procured by the supplier:

- If the supplier determines that the raw material for a batch is not sufficient for the order quantity, the supplier must inform the purchasing employee who is specified as the contact person in the order. In consultation with the supplier, a decision will be made about whether the order quantity should be reduced or whether an additional order should be triggered and the order quantity divided between two or more orders. This step is necessary to ensure different labelling by signing different order numbers to ensure batch tracking.

- The parts must be processed and packaged separately by the supplier according to batches so that there is no confusion. The supplier is responsible for ensuring that the parts from the individual orders are not interchanged.
- In the acceptance test certificates to be sent with the delivery, it is essential to assign the respective order numbers.
- If Hammelmann provides the material, the batch used must be noted on the delivery note of the manufactured parts.

In addition, there may also be dimensions or attributes in the drawing that indicate a documentation requirement (sometimes in combination with the "D" in the title block, sometimes not). There are two markings distinguished within the drawing. These markings refer to individual attributes and dimensions within the drawing and **not** to all dimensions and properties:

[100%]	With attributes designated in this way, the corresponding dimension or property must be tested on 100% of the manufactured parts; all other dimensions and properties must be subjected to the quality inspection that is otherwise usual.
[D]	With attributes designated in this way, the corresponding dimension or property must be tested on 100% of the manufactured parts and documented in writing; all other dimensions and properties must be subject to the quality inspection that is otherwise usual. The documentation of the 100% test must be enclosed with the delivery.

2.6 Initial sample

Under certain circumstances, which we have defined in our internal procedures as part of the DIN EN ISO 9001 documentation, it is necessary to complete an initial sample inspection report when a component is delivered. If this is the case, we will indicate this in the order and enclose a blank form of the initial sample inspection report with the order.

The initial sample inspection report enclosed by us (or an analogous initial sample inspection report used by you) must be completed in full and enclosed with the goods or the delivery note. (Receipt of the initial sample inspection report - start of the term of the payment target or the discount period)! When using your own initial sample inspection report form, it is important that it is possible for both you as the supplier and for us as the buyer to enter the actual values of dimensions and properties that have been determined. If the initial sample inspection report form provided by us is used, it must be used as follows: The supplier must complete the column marked "Supplier" on the cover sheet. Furthermore, the column "Actual values supplier" must be completed for all dimensions (with

tolerances) and properties indicated on the drawing in the test result sheet under "Buyer". If the initial sample inspection report is not fully completed, the payment may be delayed due to the additional work for us. Please note! After the inspection is completed, you will be provided with the initial sample inspection report supplemented by the actual values determined by us, with notification of the overall decision and any measures derived from it. If you supply us with unmachined raw parts as initial samples (e.g. Castings, forgings), final approval will only be given after the components have been machined on our premises.

2.7

Subcontracting components

If you subcontract work to a subcontractor, we must be informed stating the work to be subcontracted and the name of the subcontractor. We reserve the right to prohibit subcontracting if there are good reasons for doing so. The rules set out in this guideline must also be observed by all subcontractors, where applicable. In particular, this also applies to the Code of Ethics mentioned at the beginning of this guideline.

2.8

Testing/measuring equipment, tools, devices provided

Testing/measuring equipment, tools or devices loaned by us must be returned to us immediately after completion of an order together with the manufactured goods, unless there is an agreement that they can remain with you. The property rights remain with Hammelmann GmbH even if they are stored elsewhere.

If we receive measuring equipment back that is damaged or no longer usable, we will invoice the costs for repair or replacement.

3. Materials provided

If you are provided with parts or raw material for processing by us, the following points must be observed:

Only the material provided by us may be used!

If the material supply is insufficient or if more components can be manufactured from the material provided than that stated in the order, you must clarify jointly with us how to proceed.

Any remaining residual material (e.g. from rejects or run-in parts) should always be marked and packaged separately, and returned to us with the delivery. When material is provided for the manufacture of D parts (parts requiring documentation), please observe the separate section within this guideline.

If delivery is made by a forwarder, it is essential that the driver of the vehicle is given a receipt of acceptance with reservation on the consignment note. If there is obvious identifiable damage, this must also be acknowledged on the consignment note and Hammelmann GmbH must be informed immediately, specifying the nature of the damage. The forwarder must also be held liable in writing without delay. If the regulations are not complied with, the liability for possible damages lies with the supplier, as any liability of the forwarder is otherwise excluded.

When the goods are delivered by our vehicle, the driver must be given acknowledgement of the receipt of the goods, with a reference to any damage that may have been detected.

If the case arises that a delivery date is at risk because the material supply has not yet arrived at your premises, please inform us in good time.

4. Tool and model costs (items)

Moulds, models, tools, etc. which have been manufactured by the supplier for the execution of the order become the property of the customer upon payment, even if they remain in the possession of the supplier. This also applies if the costs are only to be paid pro rata by the customer. The transfer of ownership to Hammelmann GmbH must be confirmed by the supplier. On request, these items must be handed over to the customer at any time. Only Hammelmann GmbH is permitted to use these items.

The costs for a tool or model are payable after approval of the initial samples or after approval of the zero series, if no initial samples have been requested by us. Unless otherwise agreed, the items must be insured by the supplier against the usual risks. The insurance certificate must be sent to us without being requested no later than at the time of the order confirmation. The supplier is liable for damage to or loss of the items, provided that Hammelmann GmbH is not at fault.

The supplier may only store and use the items at the agreed production site. Any relocation of the items and production requires prior written approval. The items must be identified as the property of Hammelmann GmbH with permanent marking.

5. Notes on special material groups

5.1 Surface treatment

If no other indication is given in the order or drawing, Hammelmann GmbH works standard 3501 "Surface treatment" must be observed and complied with.

5.2

Supply of rubber components

It is essential to indicate the rubber hardness of the parts to be delivered (not the hardness of the standard test plate) in the following system when the delivery is made (documented on the delivery note or in a separate certificate):

- for parts > 6 mm - specification in Shore A (according to DIN 53505);
- for parts < 6 mm - specification in IRHD (according to DIN 53519);

If these details are missing on your papers, it is not possible for us to accept the parts; in these cases they will be returned at your expense.

5.3

Metal castings

5.3.1

Packaging regulation

Castings must be packed and protected in such a way that no corrosion can occur through contact with moisture. Castings with corrosion cannot be used due to the production process in our company. Surface protection must not be achieved by applying a preservative layer but must be ensured by appropriate packaging.

5.3.2

Repairs

Repair work on castings (welding, cementing, etc.) is not permitted without our written consent.

6. Repair orders

6.1

Repair approval for tools, equipment, etc.

Repairs may only be carried out if there is a cost estimate and it has been approved in writing in advance.

The cost estimate must show binding repair costs, separated into labour and material costs, as well as costs for a new device. We cannot accept higher costs compared to the cost estimate subsequently shown in the invoice. We will not remunerate the preparation of a cost estimate, even if no repair is carried out for reasons of economy.

If a repair is not possible or uneconomical, please inform us immediately. In this case, please submit an offer for a new unit.

6.2

Repair approval for machines

Repairs that relate to typical wear parts such as seals, etc. do not need to be approved by us. Please send us an order confirmation with binding details of your valid wage cost rates negotiated with us.

If repairs are necessary which require the use of materials which are not marked as wearing parts, the costs incurred by this must be notified to us for written approval, separated according to wage and material costs. We cannot accept higher costs compared to the cost estimate subsequently shown in the invoice.

Work performed outside normal working hours that entitles you to claim an increased rate of pay must be approved by us. We can only recognise those working hours for which we have an assembly report approved and countersigned by us.

The guarantee and warranty period for installed spare parts is 12 months in 2-shift operation and begins when we sign the acceptance protocol.

7. Performing construction work / maintaining structures

We must issue an approval for materials that are required for the performance of construction work or the maintenance of structures. Small materials are excluded from this approval regulation. If an offer has been sent to us in advance, this is binding. Additional work or the use of additional material must be approved by us.

Working hours must be invoiced according to the hourly rates negotiated with us. Work performed outside normal working hours that entitles you to claim an increased rate of pay must be approved by us. We can only recognise those working hours for which we have a time sheet approved and countersigned by us.

The limitation period for claims for defects is governed by the VOB. Otherwise, 1. our terms and conditions of purchase and 2. the BGB/HGB remain valid without restriction.