

GENERAL PURCHASING CONDITIONS 2019

HeidelbergCement Northern Europe ("HCNE")

1 Introduction

These General Purchasing Conditions (GPC) shall apply to deliveries to companies within HeidelbergCement Northern Europe (hereinafter referred to as the "buyer"). These GPC can only be amended or cancelled, in full or in part, by written agreement between the parties. The supplier's general delivery conditions apply - in full or in part - only to the extent they are explicitly confirmed in the buyer's written order. The agreement referred to in these GPC shall mean the agreements of which these conditions form is an integrated part.

2 Price

The buyer shall, in addition to the agreed price, pay value added tax (VAT) as prescribed by the law of the buyer's country.

A fixed price without linkage to any index shall apply unless otherwise agreed in writing.

3 The scope of the delivery

The buyer's payment liability covers only the type of goods and services and the quantity of goods and services specified in the order. The supplier shall in addition to the goods and services deliver all that is necessary for its intended use; i.a. licensed software as well as documentation. The goods and services, together with the material specified in the foregoing sentence, are hereinafter referred to as the "Deliverables". The supplier is responsible for the Deliverables satisfying all requirements as determined by the law of the buyer's country.

The buyer is entitled to request changes of the original order. Additional Deliverables and/or alteration of the Deliverables do not entitle the supplier to extension of the delivery period or extra payment, unless a written agreement is made in advance.

4 Liability for design and copyright

The party who supplied information and design is responsible for the correctness of the same. The approval of the information and design by the other party does not constitute exemption from this responsibility. However, the supplier is responsible for alterations to the supplier's design proposed by the buyer unless the supplier has made a reservation against such alterations before manufacture commenced.

All drawings, models and other documents, handed over by the buyer, remain the property of the buyer and must not without consent be used by the supplier or reproduced or brought to the knowledge of a third party only when necessary for tenders and delivery. All drawings, models and other technical documents relating to the Deliverables ordered by the buyer shall be the property of the buyer and delivered to the buyer in original form upon payment of the Deliverables.

5 Cancellation

Unless otherwise agreed in writing, the buyer is entitled to cancel orders of Deliverables that have not been supplied.

In case of cancellation in accordance with the first paragraph, the buyer shall, unless otherwise agreed in writing, compensate the supplier for his documented direct loss caused by the cancellation.

6 Delivery date

The agreed delivery date must be strictly adhered to. For part delivery or delivery in advance, the buyer's written consent is required.

If the supplier has reason to assume that delivery may be delayed, the buyer must immediately be informed as soon as possible, and thereafter be confirmed by the supplier in writing and be motivated of this delay. In connection with this, the Supplier shall inform the Buyer how long the delay is estimated to be. In addition a new written confirmation must be sent by the supplier explaining the situation and stating a revised delivery date. Unless stricter consequences in connection to delayed deliveries are agreed, the buyer is entitled to liquidated damages for delay which for each commenced week amounting to 2% of the sum of the order, but totally not more than 10% of the same. A delay exceeding 30 days constitute a material breach and the buyer is then entitled to in part or as a whole terminate the relevant purchase order.

In case of termination, the supplier shall in addition to compensation of other legal claims reimburse to the buyer any part paid of the contractual price plus marketable interest.

The delivery date to be used for calculating delays shall be the date(s) on which the Deliverables shall be delivered to the specified place (or in the case of services, when the services shall be completed), as stated in the original agreement. Changes of the delivery dates by the supplier will not affect the buyer's right to claim liquidated damages

except if the buyer desist from claiming in writing.

7 Delivery clauses

Delivery clauses will be interpreted in accordance with the Incoterms 2010.

8 Packing and marking

The supplier is responsible for the Deliverables to be contained and/or packaged in a way that is usual for such Deliverables or, in a manner adequate to preserve and protect the Deliverables from damage and decline in value during transport to the buyer's warehouse and during a reasonable period of storage in a manner suitable for the purpose. Furthermore, the packing shall be such that transport insurance gives the buyer compensation for damage to the Deliverables. The supplier is responsible for marking the Deliverables in a way that satisfies all requirements determined by the law of the supplier's and buyer's countries. In addition the supplier shall mark the Deliverables in accordance with the buyer's instructions, which do not, however, limit the supplier's liability for ensuring that the Deliverables are also marked in accordance with their properties as regards fragility, weather resistance, etc.

9 Transport and receiving

The supplier shall in good time before delivery provide the buyer with the necessary information of importance for transport and receipt of the Deliverables. If the delivery contains Deliverables that are considered as dangerous under the law of either the supplier's or the buyer's country, the buyer must be informed of the relevant facts related thereto separately in writing and before delivery.

10 Buyers preparations for delivery

The supplier is responsible to inform the buyer in writing of any conditions that must be fulfilled by the buyer to enable delivery and installation. The information must be given in due time before delivery. The supplier is liable for the completeness of this instruction.

11 Quality

All Deliverables must be of at least normal good commercial quality and meet the current norms/standards including current safety regulations. The supplier is responsible for ensuring that the Deliverables supplied are suitable for the stated purpose.

12 Guarantees

The supplier guarantees that the Deliverables comply in their entirety with stated specifications, product leaflets, drawings and samples. The supplier bears full responsibility for ensuring that the Deliverables maintain their contractual properties during the agreed guarantee period. Unless otherwise agreed, the guarantee period is twenty-four (24) months from the date when the Deliverables in their entirety are received, controlled and approved by the buyer.

13 Product Liability

The supplier is responsible for ensuring that the Deliverables meet all requirements according to the law of the supplier's and the buyer's countries relating to product safety, health and environment. The supplier is liable for costs arising from any order imposed on the buyer in accordance with the aforementioned legislation if the order is based on properties of the Deliverables covered by the purchase.

The supplier warrants that chemical substances sold to the buyer will be delivered in conformity with EC Directive No. 1999/45/EC and/or CLP regulation 1272/2008. The supplier's performances shall comply with the REACH regulation, EC no 1907/2006, including future amending legislation. When delivering chemical substances the supplier shall always supply the buyer with the current Safety Data Sheets (SDS). The SDS shall be supplied in the official languages of the countries the chemical substances will be delivered to.

In the countries where the buyer uses EC-online database for their SDS, the supplier will aim to provide for using this database.

14 Safety, Health and Environment

The supplier shall be responsible for its personnel during the stay at the buyer's plant and for their observance of current safety regulations. The supplier is responsible for informing its personnel of the contents of such safety regulations. The supplier shall ensure that his employees and subcontractors are informed of and respect the public safety regulations as well as the buyer's safety regulations. A breach of such instructions constitutes a material breach of the agreement.

15 Defects in the Deliverables

The buyer shall without undue delay by written notice inform the supplier of any defects of the Deliverables, and shall as far as reasonable give the supplier the opportunity to correct such defects within a specified time limit. On receipt of written notice, the supplier shall remedy the defect without undue delay and at the supplier's own cost. The guarantee period will be extended by the period, during which the Deliverables as a result of the defect cannot be used for their intended purpose. For a repaired or replaced part, a new guarantee period will apply for the same

period of time as for the original part. All transportation in connection with repair or replacement shall be at the supplier's risk and expense.

The following defects may, without giving the supplier an opportunity to correct as set forth above, be corrected by the buyer at the supplier's expense without affecting the supplier's guarantee responsibilities:

- a) minor defects; or
- b) if the supplier cannot correct the notified defect promptly; or
- c) in specially urgent cases

The buyer must notify the supplier in writing that he intends to correct a defect himself in accordance with this clause before commencing any corrective work.

If the supplier is responsible for defects in the Deliverables, he is also liable to pay compensation for loss that occurs as a result of the defect.

If the supplier fails to fulfil his obligation within reasonable time, the buyer may by written notice require the supplier to do so within a final time limit. If the supplier fails to fulfil his obligations within that time limit, the buyer may choose to

- a) use a third party to carry out the repairs at supplier's expense or
- b) terminate the agreement by written notice to the supplier.

In case of termination, the buyer shall in addition to other legal claims be entitled to be compensated for the loss suffered. This compensation shall however, not exceed 15% of the purchasing prices. This restriction does not apply to costs for locating the defects, costs for gaining access to or fitting repaired or replaced Deliverables, or costs arising as a result of the repair or replacement. The restriction shall neither apply in case of damages to life, body and health, gross negligence or wilful misconduct.

16 Payment

Invoices are to be sent to the buyer's address stated in the order.

Payment of the agreed price shall be made by the buyer to a bank account advised by the supplier and shall be made within forty five (45) days after the buyer has received and approved the Deliverables and the correctness of the invoice.

Any delay from the agreed time schedule will lead to a postponement in payment schedule as well.

If payment is not made as agreed, penalty interest will be payable in accordance with the Delayed Payment Act of the buyer's country. If the buyer in connection with the agreement has a justified claim on the supplier, the buyer is entitled to withhold as much of the payment as is equivalent to the claim.

If payment is made before delivery of the Deliverables, the supplier shall clearly identify the Deliverables as property of the buyer by visible marking and shall keep the Deliverables separated from other goods the supplier may have in its possession. Unless otherwise agreed in writing, the risk of loss of or damage to the Deliverables shall pass to the buyer when the Deliverables are delivered to the agreed place of delivery (or in case of services when the services have been approved after inspection).

The buyer may demand a bank guarantee or another security acceptable to the buyer, to be issued to the buyer at the supplier's cost, for any advance payments made by the buyer.

17 Insurance

The supplier shall, during the period stated in clause 12, have customary, adequate third-party insurance covering losses arising from defects in the Deliverables.

The supplier's insurances shall comprise any sickness, injury, death, liability that its staff may incur.

The supplier shall if requested by the buyer, provide the buyer with a copy of the insurance policy. If the supplier omits to do so, the buyer may, at the supplier's expense, take out insurance himself that provides the equivalent insurance cover.

18 Commercial documentation

The buyer's and the supplier's order numbers and names of contact persons must be stated in all correspondence. This must also appear on the invoice and on the delivery note, which must always be enclosed with the Deliverables. If the Deliverables are delivered without a delivery note, extra costs may arise for the buyer, which must be compensated for by the supplier.

The scope of commercial documentation in other respects will be stated in the order.

19 Grounds for relief (force majeure)

A party is entitled to postpone the delivery date if completion of the purchase is prevented owing to circumstances affecting the other party or owing to circumstances beyond the control of the party, such as labour conflict, war, official

decision, extensive operational disruption at the party's plant or that of a subcontractor or another circumstance not caused by the party, that he ought not to have foreseen and whose consequences he could not reasonably prevent. In order to be entitled to postpone the delivery date, the concerned party must inform the other party immediately that circumstances giving grounds for relief have arisen.

If the purchase cannot be completed within a reasonable period owing to circumstances in accordance with this clause, a party may cancel the purchase to the extent its completion is prevented.

20 Environmental and Supplier Code of Conduct aspects

When designing a product and choosing material and manufacturing methods, the supplier shall take appropriate regards to environmental aspects. Environmental protection to achieve sustainability and to improve quality shall be a key principle for all business.

It is the buyer's goal that all work and activities in connection with agreements are pursued in compliance with internationally recognized and fundamental environmental, labour and social standards. The buyer has compiled its sustainability requirements in HeidelbergCement's "Supplier Code of Conduct" which is announced on local company web-sites. The supplier warrants and undertakes to comply with the HeidelbergCement's "Supplier Code of Conduct" in every respect.

The supplier shall further ensure that its subcontractors observe these standards and requirements likewise.

On its request, the buyer shall be entitled to examine and verify the supplier's system for safeguarding HeidelbergCement's "Supplier Code of Conduct".

Should the buyer notice that the supplier and/or his sub-contractors do not comply with the HeidelbergCement Supplier "Code of Conduct", the buyer is entitled to terminate the agreements which are affected by such non-compliance.

21 Supplier Trade Compliance

The Supplier represents and warrants that:

a) it will comply with all regulations prohibiting bribery, corruption, money laundering, extortion and tax evasion, to the extent such regulations could reasonably be presumed to be applicable to the Supplier and/or the Purchaser, including at all times all such regulations enacted, administered, imposed or enforced by the European Union or the U.S. Government;

b) neither itself nor any of its employees, assignees or other representatives, directly or indirectly has or will (i) promise, offer, pay, solicit or accept a promise of or request for bribes or kickbacks of any kind; (ii) utilize other techniques, such as subcontracts, purchase orders or consulting agreements to channel payments or other benefits to government officials, to employees of the other contracting party or to their relatives or business associates, with the intention to influence or induce the referred owner or employee to use his or her influence to assist in obtaining or retaining business or securing any improper advantage;

c) it shall strictly comply with and adhere to all regulations pertaining to (i) import and export controls of strategic or sensitive items such as for example dual-use items and items on the U.S. Commerce Control List, and (ii) international trade and/or economic sanctions, that could reasonably be presumed to be applicable to the Supplier and/or the Purchaser, including at all times all such regulations enacted, administered, imposed or enforced by the United Nations Security Council, the European Union or the U.S. Government (jointly "**Trade Restrictions**");

d) it has not and shall not, whether directly or indirectly through an affiliate, third party or otherwise, (i) sell, provide, export, re-export, transfer, purchase, lease, lend, consign or otherwise acquire, release or dispose of any products or services under this Agreement in violation of any Trade Restrictions, (ii) provide financial assistance to, enter into agreement or arrangement with or otherwise deal with any person or entity that is, or is owned or controlled by persons that are, the targets of any blocking or asset freezing measures under Trade Restrictions ("**Sanctioned Persons**"); and (iii) in a diligent and appropriate manner, prior to entering into any agreement or dealing, verify that any person with whom the Supplier intends to do business in respect of any products or services under this Agreement (including without limitations sub-suppliers, sub-contractors, distributors, agents and dealers), is not a Sanctioned Person; and

e) it is not (i) a Sanction Person nor (ii) directly or indirectly managed, owned or controlled by a Sanction Person.

The Supplier undertakes to promptly disclose to the Purchaser together with all relevant facts any directly or indirectly concluded, reasonably suspected or alleged violation of clause 21 (a)-(e) above.

The Parties agree that any breach of clauses 21 shall be considered as a material breach of the Agreement.

22 Applicable law

The agreement and these conditions shall be governed by the law in the country of the buyer.

23 Disputes

Any dispute arising hereunder shall be settled by arbitration in accordance with the Arbitration Act in the country of the buyer. The arbitration proceedings shall take place where the buyer has his registered office.

24 Validity

These conditions are valid as of 1st June 2011 and until further notice.
