

GENERAL TERMS AND CONDITIONS OF PURCHASE

of

Acandis GmbH
Theodor-Fahrner-Straße 6, 75177 Pforzheim

as of July 2023

1. Scope of Applicability

- 1.1 Our **General Terms and Conditions of Purchase** shall apply exclusively. As far as these do not contain any provisions, statutory regulations shall apply. We reject any of Supplier's terms or conditions that are contrary to or deviating from our **General Terms and Conditions of Purchase** or that are deviating from applicable statutory regulations to our detriment, unless acceptance is expressly confirmed by us in writing. These **General Terms and Conditions of Purchase** shall also apply if we accept without reservation delivery of Supplier's goods or performance despite being aware of any supplier's terms to the contrary to or deviating from these **General Terms and Conditions of Purchase**.
- 1.2 These **General Terms and Conditions of Purchase** shall only apply with respect to entrepreneurs, legal entities under public law and public utility funds as defined by section 310 subsection 1 of the German Civil Code (§ 310 Abs.1 BGB).
- 1.3 These **General Terms and Conditions of Purchase** shall also apply to any future business transactions with the Supplier.
- 1.4 These **General Terms and Conditions of Purchase** shall apply for delivery of goods within the meaning of § 433 German Civil Code (Purchase of Goods) and § 650 German Civil Code (Delivery of mobile goods to be manufactured or produced) (hereinafter referred to as **Delivery**) as well as for performance within the meaning of § 631 German Civil Code (hereinafter referred to as **Performance**).
- 1.5 These **General Terms and Conditions of Purchase** and any **Quality Assurance Agreements** that may have been agreed upon shall apply with the following priority in case of contradictions:
 - **Quality Assurance Agreements** with Suppliers
 - **General Terms and Conditions of Purchase**;The same shall apply in case of invalidity of single provisions.

2. Conclusion and Subject Matter of Contract, Supplementary Changes to Subject Matter of Contract

- 2.1. If Supplier does not accept our order within five working days after its receipt, we shall be entitled to withdraw this order without incurring any costs or liability.
- 2.2. Quotations and cost estimates shall be made cost free and shall be binding, unless otherwise explicitly agreed upon.
- 2.3. Product specifications agreed upon have to be strictly complied with; any deviations therefrom require our prior written consent.
- 2.4. Supplier shall not be entitled to change **Delivery** or **Performance** contractually agreed upon (hereinafter also referred to as **Contract Objects**) after conclusion of the contract or to produce them with a production method other than the one contractually agreed upon. This shall also apply to minimal changes and also if the agreed product specifications remain unchanged. Any such changes shall only be admissible after our written consent.

- 2.5. Supplier shall be obliged to examine correctness and completeness (e.g. technical feasibility for manufacturing or assembling) of any product specifications agreed upon as well as any manufacturing means or documents supplied by us in the light of their use by Supplier for his **Delivery** or **Performance**. Any objections shall be notified to us immediately in writing, together with a detailed explanation of the examination results. Supplier shall remain solely responsible for the correctness and completeness of any contractual documents or data established by Supplier in regards of the quality of the **Contract Objects**, like e.g. drawings, calculations and descriptions, including absence of defects at samples and models manufactured or provided by Supplier.
 - 2.6. Apart from these **General Terms and Conditions of Purchase**, all order information accepted by Supplier, i.e. all product specifications contained or referred to in our orders as well as any product specifications contained in any documents attached to such orders, including without limitation tender specifications as well as any technical documentation such as drawings, construction regulations and regulations as to material, shall become integral part of the contract concluded with us.
 - 2.7. Any assignment or transfer of the contract (partly or in total) to, or the manufacture of **Contract Objects** (partly or in total) by a sub-contracted third party supplier or contractor shall only be admissible with our prior written consent. Any violation of this provision entitles us to rescind the contract – without prejudice to any further statutory rights we may have thereupon.
 - 2.8. Any obligation for compensation of damage within the terms of section 122 of the German Civil Code (§122 BGB) requires faulty acting on our part.
 - 2.9. Any declarations to be made in written form under these **General Terms and Conditions of Purchase**, may also be made in text form (text documents, printable and storable emails, computer facsimile).
 - 2.10. Supplier shall observe any change request with regard to the **Contract Objects** requested after conclusion of the contract, as far as such request is reasonably feasible within Supplier's capacity. If the analysis of such request or its realisation has an impact on the contractual balance of duties (on price, time of performance etc.), the parties shall amend the contract without undue delay.
 - 2.11. Supplier shall inform us in writing prior to conclusion of the contract if the products ordered are subject to export controls or other restrictions on marketability in accordance with the regulations applicable in the Federal Republic of Germany. In the event of improper information, in particular in the event of non-information, incorrect, incomplete or untimely information, we shall be entitled to rescind the contract after the fruitless expiry of a reasonable period of time set by us. The same shall apply if the products are subject to export controls or other restrictions on marketability. Further claims shall remain reserved.
 - 2.12. If the financial conditions of Supplier deteriorate significantly or if the justified application for the opening of insolvency or comparable proceedings against the assets of Supplier is rejected for lack of assets, we shall be entitled to rescind the contract as a whole or in parts.
 - 2.13. Any **Quality Assurance Agreement** that may have been concluded shall be integral part of our contracts for **Deliveries** or **Services**.
- 3. Rights to our Contractual Documents and Manufacturing Material, Processing, Insurance, Maintenance, Confidentiality, Duty to Examine and Object of Supplier**
- 3.1. With regard to any manufacturing documents, manufacturing data and manufacturing material of any kind that we transmit or make available to Supplier in connection with our orders and/or contracts, such as
 - pictures, calculations, drawings, drafts and manufacturing requirements etc.,
 - know-how regarding **Deliveries, Performances** and manufacturing procedures, (know-how within the meaning of this contract shall be knowledge, that is

- (i) confidential, i.e. not publicly known nor easily accessible,
- (ii) necessary, i.e. crucial and indispensable for the manufacture of the **Contract Objects**, and
- (iii) identified by the manufacturing documents, manufacturing data and manufacturing material transmitted to Supplier)

- models, patterns and prototypes,
- material or parts or semi-finished goods supplied by us,
- tools,
- software,

(hereinafter also referred to as Customer Material)

we reserve any and all rights, especially property rights, that are attributable to us at the moment of transmission to Supplier (reserved property), unless otherwise agreed upon in these **General Terms and Conditions of Purchase** or the contract concluded with us. The same shall apply for manufacturing documents, manufacturing data and manufacturing material which are produced or procured by Supplier on our behalf.

- 3.2. Customer Material shall be clearly labelled as attributable to us by Supplier.
- 3.3. Any processing or transformation of Customer Material, semi-finished goods or parts (reserved property) shall always be deemed to be on our behalf only. If reserved property is processed with goods which are the property of any person other than us, the product thereof shall be deemed to be owned by us jointly with that other person, our share in the joint property being defined by the ratio of the value of the reserved property (purchase price plus VAT) to the value of the other goods which have been processed or transformed, such value being assessed at the time of their processing or transformation. If the reserved property is inseparably mixed or combined with other goods which are the property of any person other than us, the product thereof shall be deemed to be owned by us jointly with that other person, our share in the joint property being defined by the ratio of the value of the reserved property (purchase price plus VAT) to the value of the other goods which have been mixed or combined, such value being assessed at the time of their mixing or combining. If the mixing or combining has been done in such a way that Supplier's product is to be considered to be the main product, it is agreed that Supplier assigns to us co-ownership of such product on a pro rata basis.
Before use, Customer Material shall be stored properly, adequately, apart from property of other persons and duly labeled as our property.
- 3.4. In particular, it shall herewith be agreed between Supplier and us that Supplier shall take our exclusive property or co-owned property in adequate storage and maintenance at his own expense.
- 3.5. We reserve all rights and title, in particular any copyrights, copyright exploitation rights or other industrial or intellectual property rights, to the reserved property within the terms of no. 3.1. above, unless such rights are licensed or transferred to Supplier for the purpose of the fulfilment of the contract concluded with us.
Supplier warrants that we shall have any rights of use or exploitation to the products co-owned by us in accordance with no. 3.3. above required for the achievement of the purpose of the contract entered into.
- 3.6. Supplier shall at his own expense insure Customer Material at its purchase value against theft, robbery, burglary and damage by water and by reason of fire. Supplier herewith assigns to us with immediate effect all rights resulting from such insurance. We herewith accept such assignment.
- 3.7. Supplier shall perform any and all maintenance, inspection or repair measures that may be necessary with regard to our tools timely and at his own expense. He shall give notice to us of any malfunctioning immediately. If he fails to do so by his own fault, he shall be liable for any damage incurred by us.
- 3.8. Customer Material owned by us according to no. 3.1. above, shall not - except for any contractual purposes or other purposes agreed upon - be used, copied, transferred, sold

- or pledged to third parties nor shall it be made available to third parties. Supplier especially shall be forbidden to produce products for third parties by using Customer Material.
- 3.9. Customer Material owned by us according to no. 3.1. above, shall be kept confidential. It shall be disclosed to third parties only after our prior written consent. The provisions of no. 15 below (Confidentiality, Prohibition of Exploitation) shall apply accordingly.
- 3.10. If it becomes certain that a contract will not be concluded with us or if the contract has completely been fulfilled, Supplier shall immediately upon our request
- return to us any and all copies, pieces etc. of Customer Material in good condition or
 - destroy or otherwise alter the Customer Material so that it is of no use anymore for the manufacture of products.
- Destruction or alteration shall be proved to us upon our request. The same shall apply to any products or any half-finished parts thereof which were manufactured on the basis of Customer Material or by using Customer Material manufactured for us and on our behalf only, and which is still left at the end of the contract. It shall in no event be made available to third parties, even if it is defective and we refused to take it back.
- Supplier shall not be entitled to plead a right of retention towards the claim of our rights under this no. 3.10.
- 3.11. Supplier shall examine the Customer Material supplied by us upon its receipt for apparent defects, like e.g. identity, quantity and damage due to transportation, and give notice to us of any defect immediately. Defects of our Customer Material that is detected during manufacture shall be notified to us immediately. Such Customer Material shall not be processed or processing shall be stopped until receipt of further instruction from us. If, however, such Customer Material nevertheless is processed, this shall be considered breach of contract and any claims for compensation of damage or expenses of Supplier shall be excluded.

4. Prices, Conditions of Payment, Invoices, Documentation, Certificates of Origin

- 4.1. All prices the Parties agreed upon are fixed prices .
Supplier's reservation to increase prices requires our explicit prior written consent.
Unless otherwise agreed upon, prices or remunerations are quoted
- for **Deliveries**: "free place of destination" including packaging, customs and unloading at cost and risk of Supplier (DDP, Incoterms 2020, however subject to the agreement that unloading shall be made at cost and risk of Supplier)
 - for **Deliveries** with additional contractual obligations such as installation, assembling etc.: including their fulfillment (especially but without limitation including all necessary ancillary costs like e.g. travel costs, costs for making tools available, release costs),
 - for **Performances**: with the work being completed, ready for acceptance in accordance with the contractual specifications.
- 4.2. Each one order shall be treated separately in correspondence. Any information and data referring to an order (e.g. order confirmation, invoice, bills of delivery, dispatch notes etc.) shall be transmitted to the address indicated in our order and shall bear the respective order number and date of order.
- 4.3. Invoices shall be sent to us by email to invoice@acandis.com and must not be included in the respective **Delivery**.
We can handle invoices in a timely manner only if they include the information stipulated in no. 6.3 below. We shall not be liable for any delays in handling the affected contract, in particular delays in payment, which may occur due to the failure to observe this obligation.
Invoices shall comply with all turnover tax requirements.

Subject to terms of transportation and delivery, certificates of origin or a relevant declaration of origin of the Supplier, certificates on traffic of goods, express vouchers and customs clearance documents shall be submitted to us for any products manufactured outside the Federal Republic of Germany, together with the respective invoice at the latest. As far as necessary, Supplier shall prove his information of the origin of the product by submitting a customs confirmed information sheet.

The origin of new **Contract Objects** or any change of origin must be notified to us immediately and unsolicited.

- 4.4. Unless otherwise agreed upon in writing, we pay invoices by the 15th day of the calendar month starting after the delivery day with a 3 % cash discount, or by the end of the calendar month starting after the delivery day net upon receipt of invoice and **Delivery** in case of **Deliveries**, net upon receipt of invoice and acceptance in case of **Performance**. If we take **Delivery** in advance of agreed delivery date, due date shall depend on agreed delivery date.

If we receive invoices during our company holidays and if, as a consequence, observance of a cash discount date of payment is not possible, we shall remain entitled to the cash discount if payment is effected immediately after the end of our company holidays.

Applicable cash discount shall be deducted from the gross invoice amount.

Payments shall be made at our discretion by way of transmission of a collection-only cheque or via bank transfer. For timely payment, the date of mailing stamp shall be decisive.

Cash on delivery, postal orders, and related costs shall not be acceptable.

- 4.5. We shall have the right to refuse performance, the right to set off payments and the right of retention without limitation as statutorily provided for.

5. Delivery, Performance, Date of Delivery, Upfront Damage Compensation

- 5.1. Any **Deliveries** and **Performances** shall be made free place of destination as indicated by us (DDP, Incoterms 2020, however subject to the agreement that unloading shall be made at cost and risk of Supplier).
- 5.2. Dates and terms of **Delivery** or **Performance**, of acceptance and of putting into operation etc., that are agreed upon, shall be binding.
- 5.3. **Deliveries** must arrive at the place of destination at the agreed date of delivery, **Performances** must be ready for acceptance or putting into operation at the place of destination at the agreed date of acceptance or putting into operation. Ancillary obligations shall be fulfilled at the agreed date of performance.
- 5.4. If, subject to specific agreement with the Supplier, **Delivery** or **Performance** is not to be made free place of destination, Supplier shall timely make available Delivery or **Performance**, taking into account the delay of time for loading and dispatch to be organized with the forwarder.
- 5.5. If circumstances occur which might impede a timely fulfilment of the contract in the quality agreed upon or if Supplier becomes aware of any such circumstances, he shall give immediate notice thereof to us in writing stating the reasons for such circumstances. Any damages incurred due to delayed notice, incomplete notice or failure to give notice at all shall be compensated for by Supplier.
- 5.6. As for the legal conditions and legal consequences of Delay in Delivery, the statutory provisions shall apply. Especially we shall be entitled to claim damage compensation instead of Delivery or **Performance** after expiry without effect of a reasonable timeline set by us for Delivery or **Performance**. If we claim damage compensation, Supplier shall be entitled to prove that Supplier is not responsible for the underlying breach of obligation.
- 5.7. If Supplier does not deliver or perform in time, we shall be entitled, after expiry without effect of a reasonable timeline set by us for **Delivery** or **Performance**, to rescind the

contract, even if Supplier is not responsible for the breach or if there is no fault attributable to him. § 323 German Civil Code shall apply.

- 5.8. We shall be entitled to claim damage compensation instead of Delivery or **Performance** under no. 5.6 above along with and in parallel to our right to rescission under no. 5.7. above.
- 5.9. Delivery or **Performance** in a quantity exceeding the, or falling short of, the quantity agreed upon shall be admissible only with our consent; the same shall apply for partial Delivery or partial **Performance**.
- 5.10. **Delivery** or **Performance** prior to the Date of Delivery agreed upon shall be admissible only after prior consultation with us. In such case we refer the right to return Delivery at Supplier's cost. If we do not return **Delivery**, storage in our own or third party premises until Date of Delivery shall be at Supplier's cost and risk. Payment of price shall only be made at the due date agreed upon.

6. Transportation, Passing of Risks, Bill of Delivery, Packaging

- 6.1. If, as an exception, we expressly agreed to bear transportation costs, we shall be entitled to choose category of transport and carrier; Supplier shall enquire about this information in time. Deliveries ready for dispatch shall be pre-announced to the carrier chosen by us via facsimile. Declaration of the goods in the Way Bill shall be made to the effect, that – while observing transportation safety - the less expensive charge applies. If no such declaration is made, Supplier shall choose the less expensive category of transport. We shall reimburse higher costs only if they are incurred due to our own instructions for packaging and transport.

We are entitled to specify packing and labelling requirements.

Deliveries or **Performances** shall be packed in such a way that damage in transit is avoided if adequately handled. Packing shall comply to the respectively valid environmental and disposal regulations. Especially dangerous substances and dangerous goods shall be packed, labelled and transported by Supplier at its own responsibility according to the applicable statutory and regulatory provisions.

- 6.2. In case of **Deliveries**, the risk of accidental loss, destruction or deterioration shall pass when **Delivery** to the place of destination is effected; in case of **Deliveries** with additional contractual obligations such as installation, assembling, commissioning the risk shall pass upon their complete fulfillment; in case of **Performance** upon acceptance. Supplier shall be obligated to insure **Deliveries** or **Performances** against damage in transit at his own cost if
 - they include Customer Material or
 - if down payments were effected by us or the risk (*Preisgefahr*) has passed to us due to explicit agreement.

Supplier hereby assigns to us with immediate effect any claims for damages resulting from this insurance to the extent of the purchase price for the Customer Material or to the extent of down payments or other payments effected for the **Deliveries** or **Performances**. We hereby accept this assignment.

- 6.3. Either one shipment shall come with one original of bill of delivery. All transportation and delivery documents shall show all information, as is contained in our orders: especially, but without limitation, recipient, order information and design number (including order number and order data, Supplier's reference number), article number and material number, quantities and manufacturing dates Partial or residual shipments shall be explicitly marked as such.

Supplier shall be responsible for all consequences of failure to observe the above instructions, unless Supplier proves that he is not accountable for such failure.

- 6.4. Without specific agreement to that respect, we shall not be obligated to store packaging material or return it to Supplier.

7. Taking Delivery, Acceptance

- 7.1. If we are not able to take **Delivery** or declare acceptance of **Performance** (hereinafter referred to as Acceptance) or to perform our duties to examine **Delivery** or **Performance** and give notice of any defects due to circumstances of Force Majeure or any other impediments that occur after conclusion of the contract or which we learn of without fault attributable to us only after conclusion of the contract, and that could demonstrably not have been foreseen by us or avoided even with the utmost diligence, we shall be released from such obligations for the term and to the extension of the effect of such circumstances and impediments.
The above-mentioned circumstances or impediments- i.e. occurrence or faultless learning of such circumstances only after conclusion of the contract, unforeseen and unavoidable occurrence as proven by us- shall include without limitation the following:
Legitimate labour struggle (strikes and lock-outs), stoppages or breakdowns, lack of material or personnel.
We shall report to Supplier immediately about the nature and the causes of such impediments.
- 7.2. We shall be entitled to refuse taking **Delivery** or Acceptance offered before the date of delivery or acceptance agreed upon. **Deliveries** or **Performances** made ahead of time may be returned to Supplier or stored at third parties at Supplier's cost and risk.
- 7.3. If there are any **Performances** by Supplier under a contract for work and services (Werkvertrag) and a date for Acceptance was not yet bindingly agreed upon, Supplier shall give us the date of Acceptance at least 14 days in advance of the Acceptance inspection. Upon our request, Supplier shall prepare an inspection protocol including any necessary material certificates, according to which the Acceptance inspection shall be carried out and which shall include any defects detectable during inspection. After signature by both parties this protocol shall serve as Acceptance certificate.
If Supplier owes installation service, Acceptance shall only be made after placing into operation of the Contract Objects at the destination agreed upon.
With respect to software, Supplier shall, upon our request, grant a reasonable period of time before Acceptance of the software for the testing of its requirements and functions agreed upon (test period).
- 7.4. Taking Delivery shall only be made during our usual business hours. We shall be entitled to prescribe limited time frames for delivery by Supplier.

8. Requirements for Products, Documents, Safety Data Sheets, First Sample Analysis, Quality Control, Technical Examination, Defect Detection, Warranty, Prescription, Environment

- 8.1.1. All **Contract Objects** shall be compliant with subjective requirements, especially, but without limitation the quality requirements agreed upon, and shall conform with the objective requirements, including all acknowledged technical standards, as well as with all statutory provisions for their manufacturing, distribution and use applicable at the time of **Delivery** or **Performance**, including public authority regulations and guidelines of public administration, industry organisations or of professional associations for industrial safety and insurance (Berufsgenossenschaften) and applicable DIN standards. In particular, regulations on technical work material, occupational health and safety, accident prevention and other safety regulations must be observed, as set out, for example, in DIN standards, in particular DIN 13485, UVV regulations, VDE regulations, the Machine Protection Act, the GAA regulation, the technical guidelines of the TÜV (German Association for Technical Inspection), the fire prevention regulations of the responsible area and the regulations on the prevention of emission and environmental damage applicable at the installation site. When supplying technical work equipment, machines and systems, the applicable equipment safety and machine guidelines must

be observed in particular. Furthermore, substance prohibitions, the requirements of REACH (EC Regulation No. 1907/2006), RoHS2 (EC Directive 2011/65/EU), as well as other labelling obligations of substances and goods must be observed.

Supplier shall inspect the **Contract Objects** before shipment for these criteria as an exit control and, upon our request, shall issue an inspection certificate.

- 8.1.2. Agreements on the absence of characteristics shall apply only if explicitly made and containing a reference to the specific characteristic not met.
- 8.1.3. Supplier shall provide us in a timely manner and unsolicited, at no cost for us, with any and all documents needed for the use, operation, processing, maintenance, storage or transport of the **Contract Objects**.
- 8.1.4. In good time before the start of series production, Supplier shall be obliged to produce initial samples at its own expense using the final operating equipment and the series-production conditions and to prepare an initial sample test report. This must contain measurement data on all relevant dimensions, quality characteristics and properties, in particular those specified by us. The initial sample inspection report shall contain a comparison of the nominal and actual condition with tolerance specifications. The initial sample test report shall indicate if certain characteristics of the initial sample could not be checked at the Supplier's plant or if characteristics requested by us were not realized. The release of the series production at the Supplier's plant is dependent on the result of our own initial sample inspection and will be declared by us in writing. In the event of non-compliance with the agreed quality, we shall be entitled to set a reasonable deadline for reordering and, after unsuccessful expiry of the deadline, to withdraw from the contract and/or claim damages. Supplier guarantees that the delivery item manufactured in series production has the characteristics of the approved initial sample. Supplier is not entitled to carry out unauthorized changes that may affect the quality.
- 8.1.5. Prior to the first delivery, Supplier shall be obliged to provide us with the safety data sheets applicable to the **Contract Objects** in due time. The same shall apply for later update version of the Safety Data Sheets. Supplier shall hold us free and harmless from any third parties' recourse claims in case of late supply or failure to supply Safety Data Sheets or their update versions.
- 8.1.6. Moreover, Supplier shall at our request submit to us declarations of conformity for each product batch/series delivered according to the applicable European directives together with the respective shipment. The declarations of conformity confirm the execution of the relevant audits and the observance of requirements or safety criteria with regard to the products as contractually agreed upon.
- 8.1.7. Furthermore, all safety equipment necessary for the observance of the applicable accident prevention requirements shall be delivered together with the actual shipment without our explicit request to do so.
- 8.2. Our rights and claims with respect to warranty for defects are subject to the applicable statutory provisions without limitation, unless otherwise provided for in individual agreements, any **Quality Assurance Agreement** or in these present **General Terms and Conditions of Purchase**.
- 8.3. Supplier shall deliver **Contract Objects** and documents and certificates agreed upon, that Supplier has checked for the compliance with the requirements set out in no. 8.1. above in the frame of Supplier's pre-delivery inspection (especially but without limitation, full protocols on inspection of quality relevant characteristics, whereby the full protocol together with production date shall be archived by Supplier and made available to us upon request).

If Supplier detects any deviations during pre-delivery inspection, Delivery may only be made if Supplier has previously notified our quality assurance department in writing and has obtained from us a written special delivery release insofar.

In the frame of the written information, Supplier shall also transmit the amount of **Contract Objects** already produced, our order number, description of deviation and extension of deviation. **Contract Objects** affected shall be clearly labelled as such until further notice from us. It is our mutual interest to proceed any requests for special delivery releases and to give notice to our Supplier in writing without undue delay. Any special delivery release will always be limited to a specific number of **Contract Objects**, or to the maximum of the deviating amount already produced. Our release does constitute a waiver of our rights and claims nor a release of Supplier from its responsibility

- 8.4. If Supplier realizes an increase of deviations between actual quality and contractually owed quality of the **Contract Objects** (problems with quality, failure of quality), Supplier shall notify us and inform us on planned remedial measures immediately.
- 8.5. Supplier will ensure by labelling of the **Contract Objects** (series number and/or revision number) and by other adequate measures that Supplier is able to immediately realize a deviation and to identify the total number of the **Contract Objects** actually or potentially affected.
- 8.6. Supplier shall notify us in writing in time, but in no event later than six months before implementation, of any change envisaged of the manufacturing or production process, the equipment (esp. production equipment) and of the quality assurance system, if and as far as such change may have an impact on the quality contractually agreed upon. Prior to implementation of any change, a new initial sample inspection report shall be prepared in accordance with Section 8.1.4 above. In case of any such change, **Contract Objects** may only be delivered upon our explicit written consent.
- 8.7. We shall be entitled to perform a production process audit and issue a process approval. The date for such audit and approval shall be mutually agreed upon. Supplier shall be responsible for taking all necessary measures beforehand in order to ensure a positive process approval. If, for reasons within Supplier's responsibility, audit/ approval must be repeated, we shall be entitled to charge Supplier with the costs incurred insofar.
- 8.8. Unless we have explicitly agreed with Supplier on character and extension of audit, audit equipment and methods, we are ready to discuss and consult with Supplier upon his request and within the scope of our expertise and capacity, the necessary audit measures in order to identify the necessary level of audit equipment and method.
- 8.9. We shall be obligated to take **Delivery** or accept **Performance** of Supplier only if the **Delivery** or **Performance** is complete, including agreed upon documentation and certificates and if the **Contract Objects** are in accordance with the contractual requirements set out in no. 8.1. above.
- 8.10. With regard to deliveries, we shall carry out a limited incoming goods inspection of the **Contract Objects** only with regard to obvious defects, in particular transport damage, as well as identity and quantity deviations, unless otherwise agreed with Supplier. Defects shall be notified to Supplier in accordance with clause 8.11. Supplier waives the objection of late notice of defects with regard to defects not detected within the scope of the limited incoming inspection.
- 8.11. We are entitled to give notice of defects within 5 working days upon their detection. In case of **Deliveries** with additional contractual obligations such as installation, assembly and commissioning, the period for a claim for defects starts to run upon performance of the aforementioned obligations by Supplier.
- 8.12. Any warranty rights and claims for defects shall be prescribed within the statutory terms of prescription. However, the prescription period shall be at least 36 months. The period of prescription of warranty rights and claims for **Contract Objects** delivered or repaired in the frame of supplementary performance (Nacherfüllung) shall start with the end of that supplementary performance. Period of prescription for warranty rights and claims based on legal defects shall be 10 years. Period of prescription of claims of recourse shall be as statutorily provided for.

- 8.13. In case of defective **Deliveries** we may, at our sole option, require supplementary performance (*Nacherfüllung*) either in the form of defect-free **Delivery** or of remedy of defects; in case of defective **Performances**, we may require supplementary performance (*Nacherfüllung*) either in the form of manufacture of a new work or of remedy of defects. In any case, Supplier shall be obligated to bear any and all costs for supplementary performance (*Nacherfüllung*). The return of defective **Deliveries** or **Performances** shall be carried out at the Supplier's risk and expense. For the purpose of evidence of the defect, we shall be entitled to keep a reasonable number of **Contract Objects**.
If we are entitled to carry out the inspection of the **Contract Objects** according to generally applicable statistical sampling methods (AQL values), in the event that the permissible limit quality values or the AQL values are exceeded, we shall be entitled, without prejudice to our other claims, to reject the entire delivery or, after prior alignment with Supplier, to have 100% of the delivery inspected by Supplier or by us at Supplier's expense and risk and to demand replacement of the actually defective parts.
If supplementary performance (*Nacherfüllung*) is not effected within a reasonable period of time which is stipulated by us we shall be entitled to the statutory claims (including without limitation price reduction (*Minderung*), rescission of the contract (*Rücktritt*), claims for damages, including without limitation claims for damages in lieu of performance, if the respective statutory conditions are met) without restriction of any kind.
- 8.14. If we have sold a new product to a customer that had been delivered by the contract partner to us with a defect already at the moment of passing of risk between the contract partner and us, and if we bear expenses due to this defect in accordance with § 439 cl 2 BGB [German Civil Code] or with § 475 cl. 4 or 5 BGB [German Civil Code], we shall be entitled to take recourse against the contract partner without limitation in accordance with statutory provisions. This shall also apply to the limitation period of our claims of recourse.
- 8.15. We shall also be entitled to the rights of recourse within the meaning of clause 8.14 above if the **Contract Objects** delivered have been further processed by us or third parties.
- 8.16. In case of imminent danger or urgency we shall be entitled to effect supplementary performance (*Nacherfüllung*) of a **Delivery** ourselves at Supplier's cost (*Selbstvornahme*). Furthermore, we expressly reserve the right to effect supplementary performance (*Nacherfüllung*) ourselves according to sec. 637 German Civil Code (§ 637 BGB) for work performances (*Selbstvornahme*).
- 8.17. If **Deliveries** or **Performances** are partially defective, we shall be entitled to assert our warranty rights and claims at our choice with regard to the entire **Delivery** or **Performance** or only with regard to its defective part.
- 8.18. Supplier shall inform us about all considerable defects or potential or actual risks of defects resulting from his **Deliveries** or **Performances**, that occurred at his other customers or their customers.
- 8.19. Within the scope of technical and economic capacity, Supplier shall use products and processes which are ecologically beneficial for **Deliveries** and **Performances** but also regarding own supply and ancillary services from third parties. Supplier shall be liable for the environmental sustainability of the products delivered, the packaging material and for all consequential damage, that occurs due to the violation of his statutory obligations of waste disposal.

9. Product Liability, Product Recall Liability, Product Insurance

- 9.1. If we are held liable under statutory product liability in accordance with national or foreign law, Supplier shall hold us free and harmless on first demand from any and all claims for damages, costs and expenses, as far as such claims are justified due to reasons for the damage is caused by an default within the Supplier's sphere of responsibility and as far as Supplier is himself liable in relation to the claimant.

- 9.2. In case of liability in accordance with 9.1. above, Supplier shall also be obligated to compensate for any and all costs incurred by us in accordance with sections 683, 670 of the German Civil Code (§§ 683, 670 BGB) as well as sections 830, 840 and 426 of the German Civil Code (§§ 830, 840 and 426 BGB) which may result out of or in connection with any product recall measures or other field measures performed by us, unless they are altogether inappropriate or unnecessary. We shall inform Supplier about the contents and extent of such product recall measures or other field measures as far as this is possible and may be reasonably expected from us and we shall give him the opportunity to comment on them. Further statutory rights and claims remain unaffected.
- 9.3. If a recall or field action takes place in connection with a defect in the subject matter of the contract delivered by Supplier, we shall inform Supplier thereof and give it the opportunity to cooperate and exchange the subject matter of the contract. Supplier shall bear the costs and expenses for the recall or the field measure, insofar as this/these is/are the consequence of a defect of the **Contract Objects** delivered by Supplier, unless Supplier is not responsible for the defect. Any contributory negligence on our part shall be taken into account.
- 9.4. Supplier undertakes to maintain appropriate product liability insurance with a sum insured that is appropriate for the product and the industry; if we are entitled to further claims for damages, these shall remain unaffected.

10. Third Parties' Rights

- 10.1. Supplier shall guarantee that in connection with the **Contract Objects** no third party's rights are being infringed within the Federal Republic of Germany; this shall not apply to infringements caused by Customer Material or caused by product specifications prescribed by us. This guarantee (with said exemption) shall also apply with regard to any of our export countries known to Supplier at the time of conclusion of the contract. Supplier in particular shall ensure by way of corresponding agreements with his employees, agents or representatives, as may be necessary, that the purpose of our contract, in particular the agreed scope of use of any software licenses, will not be impeded by potential co-copyrights or other intellectual property rights. Upon our request Supplier shall prove to us the conclusion of such agreements with all persons taking part in the engineering of software programmes.
- 10.2. If we are held liable by a third party for infringement of rights, Supplier shall be obligated to hold us free and harmless from such liability on first written demand; however, we shall not be entitled to enter into any kind of agreement with such third party, in particular any settlement of claims, without Supplier's consent.
- 10.3. The above obligation to hold free and harmless from liability shall cover any and all costs and expenses, that we may necessarily incur out of or in connection with any third parties' claims. As the case may be, Supplier shall provide judicial support to us or shall, upon our request, enter into any judicial proceedings at his own expense.
- 10.4. We reserve the right to claim damages from Supplier.
- 10.5. The term of prescription for any claims under no. 10.1. to 10.4. above shall be ten years commencing with the conclusion of the respective contract.
- 10.6. Supplier shall notify to us upon our request if Supplier uses own or third parties' intellectual protection rights registered or applied for with regard to the **Contract Objects**.

11. Guarantee of Procurement

Supplier shall be liable in any event – even without fault attributable to him – for any ancillary **Deliveries** or **Performances** procured by him as if they were his own deliveries or performances. This shall apply especially with regard to any defects.

12. Our Liability

- 12.1. In case of negligence our liability shall be limited to the foreseeable damage specific to the type of contract. In case of ordinary negligence we shall only be liable if we breached a fundamental contractual obligation (i.e. obligation the fulfillment of which is a pre-requisite for the orderly fulfillment of the entire contract and the observation of which a contractual partner may regularly rely on).
- 12.2. The limitation and exclusion of liability according to no. 12.1. above shall apply to any claims for damages regardless on what legal grounds; it shall apply in particular to claims for damages due to faulty acting/omission on or before completion of contract, to claims due to breach of other obligations as well as to claims of tort for compensation of damage to property within the meaning of section 823 of the German Civil Code (§ 823 BGB).
- 12.3. As far as our liability is excluded or limited according to no. 12.1. and 12.2. above, such limitation or exclusion shall also apply to the personal liability of our employees, agents or representatives.
- 12.4. Our liability for faulty damage to life, body or health of a person shall remain unaffected, as well as our mandatory liability under the Product Liability Code (Produkthaftungsgesetz).

13. Right to Set Off, Right of Retention, Assignment

- 13.1 Supplier shall be entitled to set off his claims against ours only if his claims are connected with our business relationship and are undisputed, legally established or expressly acknowledged by us.
The same shall apply to his pleading of any rights of retention.
- 13.2 Any assignment of claims requires our written consent.

14. Ownership of Products

- 14.1. **Contract Objects**, manufacture documents or manufacture material of any kind to be delivered or procured by Supplier shall become our property at the time of us effecting payment at the latest.
- 14.2. Any expanded or prolonged reservation of ownership by Supplier shall explicitly be excluded.

15. Confidentiality, Prohibition of Exploitation

- 15.1. Supplier agrees to keep confidential and to apply adequate measures to maintain confidentiality, especially, but without limitation, protect them from unauthorized access **for an unlimited period of time**, and – except for the purposes of the contract - not to document nor to transfer to third parties or use in any other way, any and all information and documents, that he gains access to in connection with the contracts concluded with us, and that are expressly marked as confidential or otherwise can be identified as our business secret.
- 15.2. This obligation shall not apply to information, that the public had access to at the time of the conclusion of the contract, or that became accessible to public without Supplier's fault, as well as to information, that already was in Supplier's possession at the time of conclusion of the contract.

16. Force Majeure, Changing Market Requirements

Events of force majeure, including in particular interruptions of operations through no fault of our own, riots, official or legislative measures, unavoidable events such as pandemics, shall release us from our obligation to accept ordered goods or services in due time for the duration of the event. We, as well as our Supplier, shall be obliged to provide

each other with the necessary and reasonable information without delay and to adjust our respective obligations temporarily to the changed circumstances, in particular to the changed market requirements that may have occurred, in good faith. During such events and within two weeks after their end, we shall be entitled, without prejudice to our other rights in the event that an adjustment is not appropriate, to withdraw from the contract in whole or in part, insofar as these events are of not insignificant duration.

17. Compliance

- 17.1. Supplier shall be obliged to act in accordance with the legal provisions applicable to it, in particular the provisions of data protection, competition law, health care compliance, anti-corruption and money laundering regulations, but also environmental protection, health protection and occupational safety, the treatment of employees and the protection of human rights. Furthermore, Supplier shall comply with the notification, approval, registration and licensing obligations that are relevant for its **Contract Objects**. The same shall apply to the labeling, packaging and information obligations applicable to its **Contract Objects**.
- 17.2. Supplier shall establish and maintain appropriate and adequate compliance management systems for the legal provisions referred to in cl. 17.1 above and any other legal provisions applicable to Supplier or the **Contract Objects**.
- 17.3. Upon our request, Supplier shall provide evidence of compliance with the legal provisions applicable to it.
- 17.4. If there is reasonable suspicion or if it is certain that Supplier has seriously violated the legal provisions applicable to it, we shall be entitled to withdraw from the contract or to terminate the contract if we can no longer reasonably be expected to continue to adhere to the contract. Our other rights, in particular to claim damages, shall remain unaffected.

18. Place of Performance

Place of performance for deliveries shall be the place of destination stated by us, which shall be our place of business unless otherwise determined; place of performance for payments shall also be our place of business.

19. Place of Jurisdiction, Applicable Law, Miscellaneous

- 19.1. If Supplier is a merchant, place of jurisdiction for all disputes arising out of or in connection with the contractual relationship - herein included liabilities from cheques and bills of exchange - shall either be our principal place of business or, at our sole option, the location of Supplier. This agreement as to the place of jurisdiction shall also apply for Suppliers having their residence in a foreign country.
- 19.2. To all rights and obligations and all disputes arising out of or in connection with the contractual relationship between Supplier and us, German law, excluding the United Nations Sales Convention (CIS Convention on contracts for the international sale of goods of April 11, 1980) shall apply exclusively.
- 19.3. Should individual provisions of these **General Terms and Conditions of Purchase** or individual provisions of other agreements concluded between the parties be or become invalid, this shall not affect the validity of the other provisions or agreements.