

GENERAL CONDITIONS OF PURCHASE OF THE BAUERFEIND GROUP

1. Major conditions

- 1.1. Only the following General Terms and Conditions of the BAUERFEIND Group (referred to hereinafter as „BAUERFEIND“) shall be valid. We shall only recognize the General Terms and Conditions or other deviating conditions of the supplier, if they have been explicitly acknowledged by us in writing.
- 1.2. Our General Terms and Conditions shall also be valid, if we accept the supplier's deliveries without reservations, although we have knowledge of contradicting General Terms and Conditions or General Terms and Conditions deviating from ours. Any reference of the supplier to the validity of his own General Terms and Conditions shall be rejected herewith.
- 1.3. As soon as a legal business transaction is based on these General Conditions of Purchase, they shall apply to all subsequent deliveries made and services rendered to BAUERFEIND by the supplier. The supplier's deviating General Terms and Conditions shall be excluded, unless BAUERFEIND has based these transactions on any other General Terms and Conditions that have been explicitly agreed between the contracting parties.
- 1.4. The regulations and provisions of the General Conditions of Purchase shall also apply accordingly to purchase orders placed by other companies of the Bauerfeind Group, provided the company concerned has explicitly made reference to these General Conditions of Purchase at the time when placing the order at the latest.
- 1.5. All current and future companies of the Group shall be entitled to include these General Conditions of Purchase in their contracts with the supplier in a legally binding form. It is not necessary to let the supplier have the General Conditions of Purchase, when any of these companies places an order and wishes the General Conditions of Purchase to become an integral part of the contract. The supplier is deemed to be aware of these General Conditions of Purchase. The inclusion of the General Conditions of Purchase by any one of the companies in a purchase contract will the supplier shall only bind the two contracting parties and convey the resultant rights only to them. The involvement of one company shall not commit another one in any way, nor shall another company be liable for the purchase orders placed by this contracting company. Nor shall those companies that have included these General Conditions of Purchase into their contracts with the supplier be liable for the commitments of other companies that have included these General Conditions of Purchase in their contracts. If the relevant company stipulates conditions in its purchase order that contradict the above provisions, these individual provisions of the relevant company shall prevail over the General Conditions of Purchase that may also be included in this individual contract. As for the rest, the provisions of this general condition of purchase shall remain effective.

2. Purchase orders

- 2.1. Purchase orders shall only become effective if they have been issued in writing. They need not be signed by BAUERFEIND. The written form shall be satisfied when the purchase order has been transmitted by fax, e-mail or through any other electronic long-distance data transmission system.
- 2.2. BAUERFEIND shall be entitled to demand from the supplier to make reasonable changes to the delivery item(s) as regards its design and implementation, after the purchase order has been confirmed. In this case, the effects of such changes, especially with regard to a cost overrun or underrun and the delivery date, shall be taken reasonably into account.
- 2.3. The supplier shall not be entitled to transfer his contractual rights or duties to third parties without having obtained the explicit written approval from BAUERFEIND. Similarly, the supplier's intention to commission a third party to deliver all supplies and to render all services ordered, or major portions of them, shall also require the explicit written approval from BAUERFEIND. Any violation against this provision shall entitle BAUERFEIND to withdraw from the contract, without giving the supplier the right to assert any claims in this respect.

3. Prices, invoice, payment

- 3.1. The price shown in the purchase order shall be binding. It shall include the delivery free of charge to the address of the buyer, unless anything to contrary has been agreed.
- 3.2. If the supplier's service is subject to a withholding tax, tax at source, or similar duties, the prices agreed under point 3.1. shall include these components.

As the liable party, BAUERFEIND shall deduct these amounts from the payment and pay them to the relevant authority on the supplier's behalf. The supplier remains free to present a certificate of exemption to BAUERFEIND.

- 3.3. The invoice must be submitted in digital form to the central billing address e-invoice@bauerfeind.com in compliance with the supplier information on the www.bauerfeind.de website, or to the respective ordering company, immediately after delivery.

The invoice must contain the date, order number, and supplier number. The invoice shall not be considered submitted unless these conditions are met.

Invoices may be submitted by mail in exceptional cases and should be sent to the mailing address of the respective ordering company.

- 3.4. The payment shall be made on the 25th day of the following month with a discount of 3 % being deducted after the supplies have been received in the contractual conditions and after the proper invoice has been submitted. In any other case, the invoice shall be paid net within 90 days.
- 3.5. The supplier shall neither be entitled to assign any claims arising from the supply relationship with BAUERFEIND nor have such claims collected by third parties, unless the written approval has been obtained from BAUERFEIND.
- 3.6. The acceptance of the goods supplied and/or the payment for such supplies by BAUERFEIND shall not constitute recognition and shall be subject to the invoice being checked and audited as well as to asserting warranty rights and/or claims for damages.

4. Delivery date, delays

- 4.1. The agreed delivery date shall be binding. The delivery date is deemed to have been met, when the delivery is made to the premises determined by BAUERFEIND by the deadline stipulated.
- 4.2. BAUERFEIND shall not be under any obligation to accept early deliveries or partial deliveries that have not been agreed.
- 4.3. The supplier shall notify BAUERFEIND without any delay in writing, if circumstances prevent the timely delivery or if such circumstances are anticipated. In the case of delays, the supplier shall deliver the products using the fastest possible mode of shipment at his own expense, if BAUERFEIND insists on the contract performance.
- 4.4. BAUERFEIND reserves the right to charge the supplier for any damage, including the loss of profit, that BAUERFEIND or the end user may suffer as a result of the delay.

5. Force Majeure

- 5.1. Acts of God that cannot be prevented even by taking utmost care shall release the contracting parties from their contractual performance duties for the duration of the disturbance and the extent of their effects.
- 5.2. In such case, the contracting parties shall inform each other without any delay and adjust their commitments to the changed conditions in good faith.
- 5.3. If the obstruction lasts longer than 2 months, each contracting party shall be entitled to withdraw from those parts of the contract that have not been performed.

6. Shipments, passage of risk

- 6.1. Unless anything else has been agreed, the delivery shall be made free of charge to the premises determined by BAUERFEIND.
- 6.2. The supplier shall attach the relevant delivery notes to his deliveries. The delivery notes shall contain BAUERFEIND's order number, the supplier's number, and the item number of the purchase order as well as Bauerfeind's article number. If these requirements are not observed, BAUERFEIND cannot be held responsible for any delays in dealing with the delivery.

7. Quality and documentation

- 7.1. When making deliveries, the supplier shall observe the recognized rules of sound engineering, the safety regulations and the agreed technical data. If the supplier has received drawings, specimens or other instructions from BAUERFEIND, he shall observe them with regard to the design, the features and the workmanship of the delivery item(s). Any modifications made to the delivery item(s) shall be approved by BAUERFEIND in writing prior to it. If the supplier delivers production material to BAUERFEIND, the following additional provisions shall apply, unless something else has been demanded in individual cases by BAUERFEIND in writing or been agreed with the supplier.
- 7.2. In order to ensure the quality of the products to be supplied to BAUERFEIND, the supplier shall introduce, implement and maintain, in his own responsibility, an effective quality management system (QM system)

pursuant to DIN EN ISO 9000 ff. including the additional requirements laid down in the VDA series QS 9000 in the currently valid version. Alternatively, the supplier may introduce another system instead, which shall then meet at least the requirements of the above QM system as far as the quality management is concerned.

- 7.3. If the type and the extent of the tests as well as the test equipment and methods are not firmly agreed between the supplier and BAUERFEIND, BAUERFEIND shall be prepared to discuss the subject of tests with the supplier at his request on the basis of BAUERFEIND's own experience, knowledge and means, so as to ascertain the required state-of-the-art in this respect.
- 7.4. As far as those parts are concerned that have been specifically identified in the technical documents or in special agreements, the supplier shall record in separate documents, when, in which way and by whom the characteristics of these delivery items have been tested and documented and what the results of the required quality tests are. The test documents shall be kept for a period of 15 years and be submitted to BAUERFEIND at the latter's request. The supplier shall commit his sub-contractors to the same scope of tests to the extent legally possible. As far as instructions are concerned, reference is made to the VDA brochure, volume 1, under the German title of „Nachweisführung“ (verification management) in its currently valid version.
- 7.5. If authorities or customers of BAUERFEIND demand from BAUERFEIND details about the manufacturing process and an inspection of the test documents, in order to verify certain requirements, the supplier shall be prepared to grant them the same rights at his premises and to give them any reasonable support. The supplier shall commit his sub-contractors to the same degree of support to the extent legally possible.

8. Hazardous substances and formulations

- 8.1. The statutory regulations of the supplier shall be observed in the case of goods and materials as well as techniques that require special treatment with regard to their shipment, packaging, storage, handling, production, disposal etc., because of existing statutes, directives and other regulations or due to their composition or impact on the environment.
- 8.2. In such cases, the supplier shall furnish BAUERFEIND with the necessary papers and documents before the purchase order is confirmed. Hazardous substances and substances posing a threat to the water must only be delivered after the relevant EC safety data sheet has been submitted and BAUERFEIND has released the delivery. Should the requirements referred to in section 8.1 change in the course of the business relations with the supplier, the latter shall furnish BAUERFEIND with the relevant papers and documents that refer to the amended requirements.
- 8.3. BAUERFEIND shall be entitled to return hazardous substances and substances posing a threat to the water produced for test purposes to the supplier free of charge.
- 8.4. The supplier also guarantees that the goods and materials that it supplies to BAUERFEIND do not contain any substances that are not permitted in the EU or that are restricted (in certain countries). If any substances whose approved use is subject to (country-specific) restrictions are unavoidable and are included in the goods and materials quoted for and supplied, the supplier shall be obliged to declare this specifically to the customer and arrange approval for the delivery.
- 8.5. The supplier shall be liable for all and any damage caused by disregarding the existing statutory regulations.

9. Packaging

- 9.1. The requirements contained in the Packaging Directive shall be observed.
- 9.2. The supplier shall take back used and empty packaging free of charge. If this proves to be impossible, he shall bear the relevant disposal costs.

10. Warranty

- 10.1. In the case of faulty deliveries, the statutory regulations shall apply, unless the following provisions stipulate something else.
- 10.2. BAUERFEIND shall check the incoming goods delivered by the supplier and compare only their identity with the type of goods ordered. BAUERFEIND shall also check the quantities received and whether any damage in transit can be identified. BAUERFEIND shall notify the supplier about any faults identified during this check within 14 days after the delivery, while other faults identified during the processing or during the intended use of the delivered goods shall be reported to the supplier within 14 days after the faults have been identified. In this respect, the supplier shall waive the defense of a delayed customer's complaint in accordance with the provisions of the Commercial Code.
- 10.3. In cases of faulty deliveries, BAUERFEIND shall be entitled, at their own choice and apart from claiming their statutory warranty rights, to demand the substitution of the faulty delivery or the rectification of the faults.

In both cases, the supplier shall bear all costs incurred and shall accept the faulty parts at his own expense when they are to be replaced.

- 10.4. If the supplier defaults on the substitution of the faulty delivery or the remediation of the faults, BAUERFEIND may purchase the parts to be replaced from a third party or commission a third party to remedy the faults, after a period of grace has been set to the supplier and passed without result, even without giving notice of refusal.. In both cases, the supplier shall bear all the expenses incurred. In urgent cases, BAUERFEIND shall have these rights, even if the supplier is not in default, after the supplier has been duly consulted prior to it.
- 10.5. If, as a result of a faulty delivery, BAUERFEIND incurs additional costs for telephone campaigns, the verification of inventories, recall actions, disassembly & re-assembly costs, return charges and additional shipping costs, the supplier shall reimburse BAUERFEIND accordingly.
- 10.6. The warranty period shall amount to 24 months, commencing on the date set by BAUERFEIND for the delivery of the goods to the premises determined, unless something else has been agreed below.

11. Product liability

- 11.1. Should BAUERFEIND be held liable on the grounds of product liability, of violating official safety instructions, of the faultiness of a product manufactured or circulated by BAUERFEIND, be it on the basis of national or international laws, the supplier shall hold BAUERFEIND free and harmless from any such claims and pay damages at first demand, as long as the faultiness of BAUERFEIND's products can be attributed to the faultiness of the goods delivered by the supplier. This shall also cover the costs incurred by BAUERFEIND for seeking legal counsel or for defending the company against product liability claims. Should BAUERFEIND, in relation to the plaintiff, be subjected to special regulations for fixing the burden of proof, the same regulations for fixing the burden of proof shall also apply to the relationship between BAUERFEIND and the supplier.
- 11.2. In product liability cases as referred to in section 11.1 above, the supplier shall provide BAUERFEIND with every required information and any possible support which can be reasonably demanded to reject any such claims.
- 11.3. Should BAUERFEIND be forced to a recall action because of the faultiness of the goods delivered by the supplier or because the recall action becomes necessary because of the danger to the lives and the health of people, the supplier shall be under the obligation to bear the expense in connection with this action.
- 11.4. If BAUERFEIND can be charged with contributory negligence as regards the faultiness of the product or the necessity of organizing a recall action, Article § 254 of the (German) Civil Code (BGB) shall apply as regards the supplier's obligation to pay compensation to BAUERFEIND.
- 11.5. The supplier shall take out a product liability insurance with a sufficient coverage for the risks of the product liability including the risk of recalling the products and prove the conclusion of the insurance contract immediately to BAUERFEIND at the latter's request.

12. Industrial property rights

- 12.1. The supplier shall warrant that all his deliveries are free from industrial property rights or third-party copyrights and that the contractual use of the delivery items by BAUERFEIND and BAUERFEIND's customers does not infringe any such industrial property rights or copyrights of third parties. This shall also apply to industrial property rights published abroad. The supplier shall hold BAUERFEIND and BAUERFEIND's customers free and harmless from any third-party claims arising from a possible infringement of such an industrial property right and shall bear the expenses incurred in this connection by BAUERFEIND. In the case of an infringement of industrial property rights, BAUERFEIND shall be entitled, at their choice, to enforce the use of the infringed industrial property rights against the party entitled to these rights at the supplier's expense.
- 12.2. This shall not apply, if the delivery item(s) has/have been produced on the basis of drawings, models or other detailed instructions received from BAUERFEIND and if the supplier has not been aware or should not have been aware that this would or could cause an infringement of industrial property rights or of copyrights of third parties.
- 12.3. The contracting parties shall undertake to inform each other immediately once they have learned about any infringement risks or alleged cases of infringement and shall take, by mutual consent, every reasonable measure to ward off any such infringement claims.

13. Reservation of title, production materials and equipment

- 13.1. We shall not recognize any form of extended reservation of title asserted by the supplier, especially no

extended reservation of proprietary rights.

- 13.2. Production materials and test equipment (especially parts, raw materials, tools etc.) made available to the supplier by BAUERFEIND as well as documents, specimens; data etc. shall remain BAUERFEIND's property. The supplier shall mark any such production materials and test equipment provided by BAUERFEIND in such a way that the property rights of BAUERFEIND are duly indicated and insure all these articles at their original value against fire, water and theft at his own expense. The supplier shall prove the conclusion of the relevant insurance contracts at BAUERFEIND's request. If necessary, the supplier shall carry out the required maintenance at the usual intervals at his own expense. The supplier shall notify BAUERFEIND immediately about any damage or disturbances.
- 13.3. The production materials and test equipment provided to the supplier by BAUERFEIND shall be processed, modified, converted or installed on behalf of BAUERFEIND. Should the processing, conversion, modification or installation of BAUERFEIND's items lead to an inseparable intermixture with the items or property of the supplier or of a third party, BAUERFEIND shall become the co-owner of the newly created items or property in the ratio of BAUERFEIND's share in the property to the overall value of the newly created property. Should the items have been processed, modified, converted or installed in such a way that BAUERFEIND's items must be considered the major constituent(s) of the supplier's items, it is understood that the supplier grants BAUERFEIND the co-ownership in the newly created property in the ratio of BAUERFEIND's share in the property to the overall value of the newly created property. In both cases, the supplier shall safeguard BAUERFEIND's share in the joint property on behalf of BAUERFEIND.
- 13.4. The supplier shall use the production materials and test equipment, the documents, specimens, data etc. provided by BAUERFEIND only for the production of goods ordered by BAUERFEIND and they shall be returned at any time, without any delay and free of charge at BAUERFEIND's request. If the supplier is co-owner of the production materials and test equipment, they shall be returned step by step against the remuneration for the supplier's share in the joint property. The supplier can only assert a right of retention, if the claim on which it is based has been recognized by BAUERFEIND in writing or when it has been legally established.

14. Secrecy

- 14.1. The contracting parties shall treat all purchase orders as well as all commercial and technical details associated with these purchase orders as business secrets. This shall especially apply to all illustrations, drawings, calculations, quality guidelines, specimens and similar objects. Secret information must only be duplicated and disclosed to such an extent as is necessary for internal requirements. Information of that kind must only be disclosed to third parties after the written approval has been obtained prior to that.
- 14.2. The supplier shall commit his sub-contractors to the same degree of secrecy. He must use the secret information obtained from BAUERFEIND only for the intended purpose.
- 14.3. This duty to keep the secrecy shall survive the supply relationship with BAUERFEIND, and the supplier shall undertake to return all business secrets to BAUERFEIND if they exist physically or if they are saved on electronic storage media, after the supply relationship is terminated. All business secrets shall be erased from the supplier's data processing equipment and duplicates in any form shall be destroyed so that their reconstruction is impossible.

15. Foreign trade controls - Export compliance

In accordance with the EU Directives 2580/2001 and 881/2002, the Supplier declares that it will not have any business dealings with companies, firms, banks, organizations or persons included on EU and/or US sanction lists. This also applies to subsidiaries and branches of BAUERFEIND and the shareholdings of third parties at home and abroad. BAUERFEIND shall be entitled, with the agreement of the Supplier to the sanction list and associated checks, to terminate the contract and all existing contracts with the Supplier without notice, and to terminate existing business relationships immediately.

16. Preferential processing

The Supplier confirms in a "supplier declaration in accordance with Directive 1207/2001", that the goods are produced in the EU and comply with the rules regarding the appropriateness of the term "certificates of origin", which apply to preferential conditions in the transport of goods. Manufacturing goods in other countries requires the express written consent of BAUERFEIND and these goods must be marked in accordance with the relevant statutory provisions. The supplier declaration can be submitted as a long-term declaration for a maximum period of one year, or as an individual declaration on each invoice. The Supplier undertakes, as and when required, to substantiate the accuracy of its supplier declaration by producing an

information sheet, and shall replace any damaged goods supplied to BAUERFEIND that may have been supplied as a result of an incorrect supplier declaration.

17. Place of performance, governing law, place of jurisdiction

- 17.1. The place of performance with regard to the supplier's delivery duties shall be the premises determined by BAUERFEIND. The place of performance concerning BAUERFEIND's duty of payment shall be the relevant registered office of BAUERFEIND.
- 17.2. This contract shall be governed exclusively by the law of the Federal Republic of Germany. The Vienna UN Convention on Contracts for the International Sale of Goods (CISG) shall not be applicable.
- 17.3. The place of jurisdiction for all disputes arising from the business relation between the contracting parties shall be Gera. In addition to that, BAUERFEIND shall have the right, at BAUERFEIND's own choice, to bring action at a general place of jurisdiction.

18. Final provisions

- 18.1. Should one of the contracting parties suspend its payments or should insolvency proceedings be filed against a contracting party's property, the other party shall be entitled to withdraw from those parts of the contract that have not been performed.
- 18.2. Should any individual provision of this contract be or become ineffective or unenforceable, the validity of the remaining provisions hereof shall in no way be affected. In such case, the ineffective or unenforceable provision shall be replaced by relative provisions coming as close as legally possible to the intentions of the contracting parties and the original sense and spirit of the ineffective or unenforceable provision. The same shall apply in the case of possible loopholes in the contract.

Confirmation of Bauerfeind's General Purchase Terms

between:

Bauerfeind AG
Purchasing
Triebeser Str. 16

07937 Zeulenroda-Triebes, Germany

and:

Supplier:

The Bauerfeind Group and the abovementioned supplier hereby agree that the enclosed General Purchase Terms shall apply to all purchase orders issued by Bauerfeind from 06.08.2021 onward and shall form an integral part of all contracts concluded between Bauerfeind and the supplier on the basis of such purchase orders. The local provisions in place for the scope of application of these General Purchase Terms, particularly with regard to Clause 1, shall also apply.

....., on (date)

Zeulenroda-Triebes, on (date)

.....
(signature, company stamp)

.....
(signature, company stamp)

Enclosed:

- General Purchase Terms of the Bauerfeind Group