

General Terms and Conditions of Supply and Payment

Article 1: General

1.1 All supplies and deliveries shall be deemed to be based on these General Terms and Conditions of Supply of WF Maschinenbau und Blechformtechnik GmbH & Co. KG (hereinafter **the Supplier**) and on any separate contractual agreements. Any divergent Customer's terms and conditions of purchasing shall be deemed to become part of the contract neither via acceptance of order nor via any lack of any express rejection. These General Terms and Conditions of Supply shall apply only in cases in which the Customer is an entrepreneur (see Article 14 of the German Civil Code [BGB]), a legal entity under public law or a special fund under public law.

Any and all references to the applicability of legal provisions shall be deemed to have only clarifying significance. The legal provisions shall therefore be deemed to apply without such clarification where they are not directly amended or expressly excluded in these General Terms and Conditions of Supply.

1.2 In the absence of any separate agreement, a contract shall be deemed to come into existence upon written confirmation of order by the Supplier. The use of electronic means of communication and, in particular, transmission via e-mail, shall be deemed to satisfy the requirement for written form provided a copy of the signed confirmation of order is thus transmitted.

1.3 Where no provision to the contrary is made below, the rules of interpretation provided in the most recent edition in each case of Incoterms shall apply where standard commercial terms are agreed.

1.4 Except in cases in which utilisability for the contractually intended purpose necessitates precise accordance and/or in which they have been expressly designated as binding, the Supplier's information and data concerning the object of supply and the Supplier's presentations of these (e.g. drawings and images) shall be deemed to be only approximately binding. Such information

and data shall be deemed not to constitute guaranteed quality criteria but rather descriptions or designations or identifying features of the object of supply. Customary deviations and deviations which result from legal requirements or technical improvements, and also replacement of components by other equivalent components, shall be deemed to be permissible provided this does not impair utilisability for the contractually intended purpose.

1.5 The Supplier shall be deemed to retain ownership and any and all copyrights to any and all offers, quotations, samples, cost estimates, drawings, illustrations, catalogues, models, patterns, tools and any and all other documents, aids and information of a material and/or immaterial nature, including such in electronic form. Such items and information may be neither copied nor reproduced in any form whatsoever nor made accessible to third-parties in the form of such items or the content of such items without the prior written consent of the Supplier. The Supplier hereby undertakes to make information and documents expressly designated as confidential by the Customer accessible to third-parties only with the Customer's prior written consent. The Customer shall at the Supplier's request immediately return to the Supplier such items and information in their entirety and shall destroy any and all copies made thereof where such are no longer needed by the Customer for his normal business and/or where negotiations have not resulted in the making of a contract.

1.6 Export licenses – Export from the Federal Republic of Germany to another country (to abroad) and/or export of so-called dual-use goods (goods for which military utilisation is not intended, but for which such utilisation cannot be excluded) with respect to machines, machine components, replacement parts or transfer of technical know-how is subject under German export regulations to official approval and is monitored and supervised by the German Federal Office of Economics and Export Control (BAFA). The Supplier hereby undertakes upon acceptance of the purchase agreement, submission of the

confirmation of order and receipt of the first downpayment to submit an application for such an export approval (BAFA application) where the making of such application is legally necessary or appears to be legally necessary.

Positive attestation of an export approval is vital for both parties to the contract; equitable cooperation between the Supplier and the Customer is essential in this respect. The Customer hereby undertakes to provide all information, documents and drawings requested by the Supplier and/or by the Federal Office of Economics and Export Control (BAFA) and to cooperate truthfully and effectively in all formalities as support in order to attain the success of the BAFA application.

During the period of application to the BAFA for export approval, the Supplier undertakes to initially process the order only in design terms and not yet to commence production of the delivery item. In the unlikely event that the export approval is not received within a period of six (6) months from the date of placement of the order, the Customer and the Supplier undertake to decide equitably concerning further procedure. In the extremely unlikely event that the BAFA finally and bindingly rejects the application for export approval the Supplier shall be banned from and will not carry out the order and the contractual relationship with respect to the order being dependent on the granting by the BAFA of an export approval shall be deemed dissolved (= condition subsequent in accordance with Article 158 Para. 2 German Civil Code [BGB]). In such a case, the contract shall thus become null and void and the order cancelled. In such a case, the Supplier undertakes to repay to the Customer in their full amount any already received downpayments, deducting only an appropriate processing fee in an amount of 0.5% of the originally envisaged contractual price.

1.7 Export approval in case of selling-on – Where selling-on or further supply of the delivery item with respect to machines, machine components and/or spare parts is planned, the Customer shall be deemed obliged to inform the

Supplier immediately concerning such intent, in view of the fact that the Supplier is under an obligation to inform the German Federal Office of Economics and Export Control (BAFA). The Customer shall be deemed, furthermore, to be obliged to inform himself concerning any export regulations which apply in such a case, whether further national approval may be necessary and to make application or applications for such approval(s) where such approval(s) is/are necessary.

Article 2 Price, payment, procedure, expiry

2.1 Where no special agreement is made in this respect the prices stated shall apply ex-works of the Supplier including loading at the Supplier's works (Incoterms FCA) but not including packing, transportation, customs and unloading. Sales Tax/Value Added Tax at the applicable rate must be added to these prices.

2.2 The Supplier offers to the Customer at the making of the contract the optional and separately payable expansion of the Terms and Conditions of Supply stated under Article 2.1. Any deviation from the provisions stated in Article 2.1 must be shown in writing in the individual purchase agreement in order to attain validity.

2.3 Where no separate agreement is made, payment shall be made in the case of supplies and/or services totalling > 100,000 euros to the Supplier's account as follows:

30% payable immediately after receipt of the Supplier's confirmation of order and the Supplier's invoice for downpayment;

30% payable four (4) months later after receipt of the Supplier's invoice;

30% payable after completion of quality inspection in the Supplier's works and receipt of the Supplier's invoice but always before the delivery;

10% payable after completed commissioning in the Customer's works but never later than ninety (90) days from delivery.

In the case of supplies and/or services totalling < 100,000 euros:

50% payable immediately upon receipt of the Supplier's confirmation of order and the Supplier's invoice for downpayment;

50% payable after completion of quality inspection in the Supplier's works and receipt of the Supplier's invoice but always before the delivery.

In case of supplies and/or services totalling < 20,000 euros:

100% payable upon delivery/after completion of the services and receipt of the Supplier's invoice.

The Supplier reserves the right in exceptional cases to demand full payment in advance prior to the furnishing of his supplies and/or services. Where this is the case, the Supplier undertakes to draw attention explicitly to this circumstance in his individual offer.

2.4 Where nothing to the contrary is included in the Supplier's confirmation of order, payments shall be made net (without deduction) within an interest-free target payment period of ten (10) days from the date of invoice. The legal provisions concerning the consequences of arrears of payment shall apply.

2.5 The Customer shall enjoy the right of setting-off with counterclaims only to the extent to which his counterclaims are undisputed or legally ascertained or are recognised by the Supplier. The Customer shall be entitled to exercise of a right of retention only to the extent that his counterclaim is based on the same contractual relationship.

2.6 **Technical discussions (kick-off meetings)** may be held at the Customer's request at the Supplier's premises after award of contract in order to clarify the installation plan, the machine layout and/or other technical details. Such a kick-off meeting shall be possible up to four (4) months after the award of contract and may be held free-of-charge for a maximum period of two (2) working days. Technical discussions (kick-off meetings) in the Customer's works shall also be possible but are optional and not free-of-charge. The costs

for such meetings shall be separately invoiced to the Customer in accordance with the actual time and expense incurred.

2.7 Familiarisation and training Basic familiarisation and training in operation and maintenance of the machine(s), in safety systems and, where necessary, in the production process shall take place in the course of the preliminary acceptance inspection of the machine(s) at the Supplier's premises prior to delivery of the delivery item. The costs for such familiarisation and training are included in the contract price.

2.8 Installation and commissioning Installation and commissioning of the delivery item in the Customer's works are NOT included in the contract price. Installation and commissioning can be included in the scope of supply as an option and for additional payment. Any deviation from the stated provision must be expressed in the form of text in the individual purchase agreement in order to attain validity.

The Customer hereby undertakes to provide for the duration of any installation and commissioning ordered and free-of-charge for the Supplier auxiliary staff and any necessary lifting/handling equipment. The Customer hereby undertakes prior to installation and commissioning to complete/to fulfil on time all preparatory work and all preconditions for successful performance of installation and commissioning in accordance with the Supplier's operating manual/planning document(s) (e.g. movement of the delivery item to the place of installation [rigging], installation of media supply connections, provision of operating media [e.g. oils], etc.). Once the Customer has notified the Supplier that all preparatory work has been completed, a date in the near future for installation and commissioning shall be set by means of mutual agreement. The Supplier reserves the right to invoice the Customer additionally in case of significant delays in the course of installation and commissioning for which the Supplier is not himself responsible. The Supplier expressly draws attention to the fact that adherence to German labour legislation is bindingly applicable to

him both within Germany and in all other countries. Article 3 of the German Working Hours Act (ArbZG) requires that the daily working hours of his employees (fitters) shall not exceed ten (10) hours. Article 9 of the German Working Hours Act (ArbZG) totally forbids work on Sundays and on country/state holidays.

2.9 Further familiarisation and training Where the Customer and/or his employees have further questions regarding operation and maintenance of the machine(s), regarding the safety equipment and/or regarding the production process, the Supplier hereby undertakes to answer such questions in the course of installation and commissioning at the Customer's works. Where installation and commissioning form part of the object of the contract a period of one to two (1 to 2) days is planned for this and is included in the total price for the delivery item.

Optimum use of the delivery item does, however, presuppose that the Customer's personnel are correctly and comprehensively trained and are able to react to all necessities quickly and reliably. In the case of first-time deliveries, in particular, the Supplier can provide further-training courses and detailed training conducted by his specialised personnel as an option and subject to separate payment. If interested, please obtain further information concerning "Expanded Employee Training Courses I + II" or concerning "Individual Extra Training", which can be provided by the Supplier at a fixed price. Personalised training courses on Customer-specific subjects are also possible on request.

Article 3 Delivery time, delay in delivery

3.1 The delivery time depends upon the agreements made by the parties to the contract. The inception and adherence to such delivery time by the Supplier presupposes that all commercial and technical questions have been clarified between the parties to the contract and that the Customer has fulfilled all obligations for which he is responsible, such as, for instance, obtainment of the necessary official certificates, certifications and/or approvals and/or that the

payment of a downpayment has been made. Where this is not the case, the delivery time shall be extended to an appropriate extent. This provision shall not apply where the Supplier himself is responsible for the delay. Adherence to any delivery time is subject to correct and on-time supply to the Supplier himself; in other words, if the Supplier has made a congruent covering transaction and neither he himself nor his (sub)supplier(s) is/are culpable and/or the Supplier is not in any individual case obliged to procurement. The Supplier undertakes in such a case to notify any impending delay or delays as soon as possible. Where this is the case, the delivery time shall be extended to an appropriate extent.

3.2 In the case of FCA supplies, the delivery time shall be deemed to have been met provided the delivery item has up to the expiry of the delivery time left the Supplier's works or, in the case of collections organised by the Customer, the Supplier has notified readiness for shipping in textual form by e-mail.

3.3 In cases in which shipment of the delivery item is delayed for reasons for which the Customer is responsible and/or in cases in which the Customer culpably violates any other obligations to cooperation, the Supplier shall be deemed entitled to demand reimbursement of any and all losses incurred for this reason, including any extra expenditure. The Supplier shall be entitled without prejudice to any other claims to dispose of the delivery item in another manner and, in particular, to put the delivery item into storage at the Customer's risk and expense and/or to supply such delivery item to the Customer after an appropriately extended period or, however, in case of a commercial purchase to dispose of or publicly auction the delivery item after threatening the Customer with a penalty within the framework of a rescue-of-assets sale after fruitless expiry of an appropriately extended period.

3.4 The Supplier shall be deemed entitled to decline fulfilment of his contractual obligations where such obligations are obstructed or are made unacceptably difficult as a result of *force majeure*, i.e., as a result of one or

more of the following circumstances: Labour conflicts and all other circumstances over which the parties to the contract have no influence, such as, for example, fire, war, comprehensive military mobilisation, insurrection, requisition, confiscation, embargo, restrictions on the use of energy, currency and/or export restrictions, epidemics, pandemics, natural disasters, extreme events of nature, terrorist action(s), also deficiencies or delays in supplies by subcontractor(s), caused by circumstances such as those stated in this clause.

Where the Supplier is affected by *force majeure*, the Supplier hereby undertakes to notify the Customer in written form of such circumstance without delay. Should the Supplier fail to make such notification, the Customer shall be deemed entitled to reimbursement of any extra costs which could have been avoided if such notification had been made in good time. The Supplier shall be deemed to be exempt from his obligations to fulfilment of the contract for the duration of *force majeure*. The delivery time shall be appropriately extended.

Without prejudice to anything which may result from the General Terms and Conditions of Purchase, the Supplier shall be deemed entitled to terminate the contract by means of written notification to the Customer if fulfilment of the contract is suspended or remains impossible for more than twelve (12) months.

3.5 Where the Supplier is unable to meet the contractually agreed delivery time, the Supplier hereby undertakes to notify this to the Customer in writing without delay stating the reasons and, as far as possible, the time at which delivery can be expected.

Where such delay is the result of circumstances for which the Supplier is responsible and the goods have not been delivered by the delivery date plus a period of grace of four (4) weeks the Customer shall be deemed entitled to liquidated damages. The liquidated damages shall be a 0.5% deduction from the purchase price for every full week of delay. The liquidated damages shall in no case exceed a total of a 5% deduction from the purchase price.

Where any delay in delivery for which the Supplier is responsible becomes so great that the Customer becomes entitled to the maximum liquidated damages and the goods have still not been delivered the Customer shall be entitled to demand delivery within a final appropriate period which shall be not less than two (2) weeks. Should the Supplier not deliver even within this last period set him, this circumstance not being caused by any circumstance for which the Customer is responsible, the Customer shall be entitled to withdraw from the contract with immediate effect.

Apart from the maximum permissible amount of the liquidated damages all further claims against the Supplier on the basis of delay shall be deemed to be excluded unless gross negligence or intent on the part of the Supplier with respect to circumstances for which the Supplier is responsible can be proved.

Where the delay is caused by circumstances for which the Customer is responsible (e.g. delay in the preliminary acceptance inspection as a result of failure to provide tools and/or materials, failure to appear in good time for the preliminary acceptance inspection, failure to organise collection for transportation [in the case of EXW or FCA deliveries, failure to obtain transport approvals and/or export licences, etc.]), the Supplier shall equally be deemed entitled to liquidated damages. The liquidated damages shall be a 0.5% addition to the purchase price for every full week of delay. The liquidated damages shall in no case exceed a total of a 5% addition to the purchase price. The Supplier's possibility of raising a specific claim for reimbursement of damages which exceeds the maximum liquidated damages shall be deemed to remain without prejudice provided the specific damages diverge significantly from the amount of the liquidated damages. Where any delay in delivery for which the Customer is responsible becomes so great that the Supplier becomes entitled to the maximum liquidated damages and the goods can nonetheless still not be delivered the Supplier shall be deemed entitled to demand in writing clarification of the outstanding matters within an appropriate

final set period which shall be not less than two (2) weeks. Should this final set period expire without result the Supplier shall be deemed entitled but not obliged to deliver the goods to the Customer as they are. The Customer shall reimburse to the Supplier all expenses and delivery costs incurred by the Supplier to achieve such delivery.

The possibility of raising a specific claim for liquidated damages by the Supplier, such liquidated damages exceeding the maximum liquidated damages claim, shall remain unaffected where the specific loss or damage diverges significantly from the lump-sum liquidated damages.

Any contractual penalties and additional costs incurred shall in all cases be invoiced with the final invoice for the project. Any and all further claims on the basis of delayed delivery shall be governed solely in accordance with Article 7.2 of these terms and conditions.

3.6 Where after the making of the contract significant boundary conditions concerning the furnishing of the supplies and/or services change as a result of exceptional occurrences over which the Supplier has no influence and which the Supplier could not have foreseen at the time of the making of the contract the Supplier shall be deemed entitled to adjust the contractually agreed remuneration appropriately.

The following shall, in particular, be deemed to constitute exceptional occurrences:

- (1) The (even partial) blockage or significant impairment of important maritime or land routes (e.g. the Strait of Hormuz, the Suez Canal, important rail or road transit routes).
- (2) Significant increase(s) in freight and/or transport costs as a result of political crises, embargoes, customs tariffs, export and/or import restrictions and/or comparable geopolitical developments.
- (3) Exceptional increases in energy and/or materials prices as a result of occurrences included above in (1) and (2).

Such adjustment shall be deemed permissible only to the extent that the occurrences stated above result in a verifiable increase in costs (i.e., possible setting-off against any cost reductions) for the supplies and/or services which the Supplier is obliged to furnish.

The Supplier undertakes to disclose to the Customer in written form the essential reasons for and the basis of calculation and invoicing. The price adjustment shall not exceed the cost increase and such adjustment shall be effected at a ratio of 1:1 to the verifiably increased costs. Where the price adjustment exceeds 15 % of the originally agreed remuneration the Customer shall be deemed entitled to extraordinary termination of the contract with notice within fourteen (14) calendar days from receipt of the notification or to withdraw from the contract entirely. Should the Customer fail to declare termination within the set period (fourteen [14] calendar days) or should the Customer fail to declare withdrawal within the set period (fourteen [14] calendar days) the price adjustment shall be deemed to have been approved and accepted.

Article 4 Transfer of risk, packaging

4.1 Where nothing to the contrary has been agreed individually, the risk of accidental loss or damage and the risk of accidental impairment of the goods shall transfer to the Customer upon handover. In the case of sale by delivery to a place other than the place of performance, however, the risk of accidental loss or damage and the risk of accidental impairment of the goods as well as the risk of delay shall be deemed to transfer to the freight organisation, carrier or any other person or entity appointed for performance of the shipment even upon the handover of the goods to such person or entity and even in cases in which part deliveries have been agreed or the Supplier has undertaken to perform other services, such as shipment and/or delivery and/or installation.

4.2 Where shipment is delayed or fails to take place as a result of circumstances which cannot be attributed to the Supplier, the risk of accidental loss or damage or of accidental impairment of the delivery item shall be

deemed to be transferred to the Customer from the day of notification of readiness for shipping. The Supplier shall then be obliged to contract at the Customer's expense the insurances which the Customer demands.

4.3 Part deliveries shall be deemed permissible provided this is a procedure reasonable for the Customer. Where the scope of supply necessitates the use of multiple vehicles part deliveries shall be accepted as an unavoidable necessity.

4.4 The Supplier shall not be deemed obliged to take back transport packaging and all other forms of packaging in accordance with the German Packaging Regulations; wooden pallets shall be excepted from this provision. The Customer shall at his own cost ensure disposal of all packaging and packaging materials.

Article 5 Retention of title

5.1 The Supplier shall be deemed to reserve ownership of the delivery item until all amounts receivable have been paid and, in particular, the respective outstanding balances which attach to the Supplier in the context of the business relationship with the Customer (current account reservation).

5.2 The Customer hereby undertakes to handle carefully the delivery item delivered under retention of title (i.e., goods subject to retention of title); in particular, the Customer shall be deemed obliged to adequately insure at his own expense the new value of such delivery item against theft, breakage, fire, water and all other possible damage. The Supplier shall be deemed entitled to himself contract such insurances at the Customer's expense where the Customer has not himself demonstrably contracted such insurance. The Customer shall neither pledge the delivery item nor assign it by way of security. In case of seizure or confiscation or any and all other orders by third-parties, the Customer undertakes to notify the Supplier immediately of such circumstance.

Where the goods subject to retention of title are combined with other property in such a way that it becomes a significant component of such other property, the Supplier shall be deemed to possess co-ownership of such other property, i.e., at the ratio of the goods subject to retention of title (final invoice amount) including Sales Tax/VAT to the other combined property at the point in time of combining. The production of a new property via combining or processing of the goods subject to retention of title shall be accomplished in such a way that the Supplier in all cases acquires a corresponding co-ownership share. The Customer and the Supplier hereby declare their unanimous agreement to the fact that the Customer transfers co-ownership of the property in due proportion to the Supplier. The Supplier hereby declares his acceptance of such transfer.

5.4 The Customer shall be deemed entitled to dispose of the goods subject to retention of title in the course of ordinary business. In case of sale of the goods subject to retention of title delivered and/or goods subject to retention of title manufactured in accordance with Article 5.3 the Customer hereby even now assigns to the Supplier the corresponding amounts receivable (final invoice amount including Sales Tax/VAT) against his customer and resulting from the sale or the corresponding part including all subsidiary rights until the complete fulfilment of his amounts receivable.

5.5 The Customer shall be deemed to remain empowered to recover the amounts receivable assigned in accordance with Article 5.4; the Supplier's authorisation to himself recover shall be deemed to remain unprejudiced by this provision. The Supplier hereby undertakes to not himself recover the amounts receivable as long as the Customer fulfils his obligations to payment from the amounts collected, does not incur arrears of payment, and as long as no application for the opening of insolvency or composition procedure(s) has been submitted and no discontinuation of payment has occurred. Where this is the case, the Supplier shall be entitled to require that the Customer disclose

the amounts receivable assigned to the Supplier for security and provide all data and information necessary for recovery.

5.6 Where the Customer incurs conduct in contravention of the contract and, in particular, in case of arrears of payment, the Supplier shall be deemed entitled after due reminder for payment to repossession of the delivery item, while the Customer shall be deemed obliged to hand back such delivery item. This provision, as in the case of its seizure by the Supplier, shall not be construed as the Supplier's withdrawal from the contract.

5.7 Any application for the opening of insolvency procedures shall be deemed to entitle the Supplier to supply and performance only following complete execution of payment or only to supply and performance part-by-part against correct payment in instalments.

Article 6 Warranty

Technical changes, deviations from the descriptions of the delivery item and its components provided in the Supplier's bid and/or deviations from installation plan(s) submitted and/or layout drawings of the delivery item, along with further technical changes which serve for the improvement, strengthening and/or increase in performance of the delivery item and its components are expressly reserved and shall not be deemed faults. For physical defect(s) and legal defect(s) of the supply the Supplier provides warranty as follows with the exclusion of further claims and with the reservation of Article 7:

6.1 Physical defects

6.1.1 Claims raised by the Customer on the basis of a physical defect shall be deemed to presuppose that the Customer has complied fully and correctly with his obligations to inspect the delivery item and to notify defects in accordance with Article 377 of the German Commercial Code (HGB).

6.1.2 Any and all parts and/or components which have proved to be faulty as a consequence of a circumstance arising prior to the transfer of risk shall at the

option of the Supplier be repaired or supplied anew. Ascertainment of such faults shall be notified to the Supplier in writing without delay. Replaced parts and components shall be deemed the property of the Supplier. In any case in which the Supplier was not originally obliged to installation, subsequent performance shall be deemed to include neither the removal of any defective delivery item nor renewed installation.

The Customer hereby undertakes to return to the Supplier upon request by the Supplier any and all parts which contain faults.

6.1.3 In the case of significant third-party products, the Supplier's liability for physical defects shall be restricted to the Supplier's claims concerning physical defects against his subsupplier(s). Where fulfilment of the assigned claims concerning physical defects fails, the Customer's claims concerning physical defects against the Supplier shall be revived.

6.1.4 The Customer shall after consultation with the Supplier allow the Supplier the necessary time and opportunity for elimination of defects and replacement supplies which appear necessary to the Supplier; in all other cases, the Supplier shall be deemed exempt from liability for the resulting consequences. Only in urgent cases of endangerment of operational safety and reliability and/or in order to prevent impropportionately severe damage – in which case the Supplier must be informed immediately – does the Customer possess the right of himself eliminating the defect(s) or of having such defect(s) eliminated by third-parties and of demanding from the Supplier reimbursement of the necessary expenditure.

6.1.5 Where the complaint is proved to be justified, of the direct costs resulting from subsequent performance (elimination of defects/replacement delivery) the Supplier shall bear the costs of the replacement item including shipment DAP place of fulfilment.

The Supplier shall, in addition, bear the appropriate costs of deinstallation of the faulty part of the supply and the costs of installation of the replacement item, always provided the installation of the faulty part of supply was originally covered by the original contract. Where this can reasonably be demanded – depending on the situation of the individual case – the Supplier shall, in addition, bear the costs of, for example, the necessary provision of his fitters and auxiliary staff provided such costs are not increased by the fact that the delivery item has been brought to a place other than the place of fulfilment. Where, however, the elimination of defects as demanded by the Customer proves to be unjustified, the Supplier shall be deemed entitled to demand reimbursement from the Customer of the costs incurred as a result of this circumstance.

6.1.6 The Customer shall be deemed within the framework of the legal provisions to possess the right to withdraw from the contract if subsequent performance fails even after repeated attempts to satisfy, i.e., if subsequent performance is either impossible or unacceptable, rejected or if the Supplier – taking account of the possible legal exceptions – allows an appropriate period set to him for elimination of defects or replacement delivery to expire fruitlessly. The Customer shall be deemed to possess only the right of reduction of the contractual price in cases in which only an insignificant defect is ascertained. Any right of reduction of the contractual price shall in all other cases be deemed excluded.

The Supplier shall be exempt from any warranty in the case of defects which can be attributed to provisions or designs which the Customer has expressly demanded or to materials or products which the Customer has provided or the use of which the Customer had expressly demanded contrary to advice expressed by the Supplier.

6.1.8 Any and all claims based on liability for physical defects shall be governed solely in accordance with Article 7.2 of these General Terms and Conditions.

6.1.9 No warranty can be accepted in the following cases in particular: Unsuitable or incorrect use, incorrect installation/commissioning by the Customer or by third-parties, natural wear and tear, mechanical wear, incorrect or negligent treatment, incorrect maintenance, unsuitable operating resources, faulty civil engineering work, unsuitable installation site, lack of or inadequate data-set security by the Customer; lack of or inadequate inspection of programs and data for computer viruses by the Customer, unusual effects of any type whatsoever (e.g. vibrations from third-party machinery and other equipment, ingress of foreign bodies), chemical, electrochemical and/or electrical influences where such are not caused by the Supplier.

6.1.10 The Supplier shall bear no liability for the resultant consequences should the Customer or a third-party perform incorrect improvements/repairs. This same provision shall also apply to changes and/or modifications performed on the delivery item without the prior written consent of the Supplier.

6.1.11 The above warranty provisions shall correspondingly apply to the elimination of defects itself, subject to the provisions of Article 8.1.

6.2 Legal defects

6.2.1 Where the use of the delivery item results in the violation of domestic industrial property right(s) or copyright(s) the Supplier hereby undertakes in all such cases and at his own expense to provide the Customer with the right to further use of or to modify the delivery item in such a way that the violation of property right(s) is eliminated. Where this is not possible under economically appropriate conditions or within an appropriate period, the Customer shall be deemed entitled to withdraw from the contract. The Supplier shall also be deemed to possess the right of withdrawal from the contract under the

above-mentioned preconditions. The Supplier in addition hereby undertakes in case of the Supplier's own culpability to indemnify and hold harmless the Customer from undisputed or legally ascertained claims by the relevant owner(s) of industrial property rights.

6.2.2 The Supplier's obligations as stated in Article 6.2.1 are subject conclusively to the provisions of Article 7.2 for the case of violation of industrial property rights and/or copyright(s). They shall be deemed to exist only provided:

- The Customer notifies the Supplier without delay of any and all claims of violation(s) of industrial property rights and/or copyright violations,
- The Customer supports the Supplier to an appropriate extent in the defence of any claims made and/or grants the Supplier the opportunity of performing modification(s) in accordance with Article 6.1;
- All preventive provisions including out-of-court settlement(s) remain reserved to the Supplier;
- The legal defect is not the result of an instruction given by the Customer or is based on the fact that the violation arose only from the combination by the Customer of the delivery item with products or supplies extraneous to the Supplier's scope of supply and
- The violation is not caused by the fact that the Customer has independently changed or modified the delivery item or has used such delivery item in a manner not conformant to the contractual agreements.

6.2.3 The Supplier shall be deemed not to be responsible and shall bear no liability as to whether the end products produced on the delivery item are free from third-party industrial property rights; this provision shall also apply to the production process(es) used for this purpose.

Article 7 Liability

7.1 The provisions of Articles 6.1, 6.2 and 7.2 shall apply accordingly and to the exclusion of further claims on the part of the Customer in cases in which the object of supply cannot be used by the Customer in accordance with the contract as a result of negligence on the part of the Supplier in the form of non-fulfilment/inadequate fulfilment of proposals and advice made prior to or after the making of the contract and/or as a result of the violation of other subsidiary contractual obligations and, in particular, of the requirement for an instruction manual for the operation and maintenance of the object of supply.

7.2 The Supplier shall be deemed liable, irrespective of the legal grounds, for damage or loss of property not incurred to the delivery item itself and/or for harm to persons only in case of intent or gross negligence on the part of the Supplier's owners, the Supplier's governing bodies and/or its managerial staff, in case of culpable harm to life, body, health, in case of defects which the Supplier has maliciously failed to disclose, in the context of a quality feature guaranteed in writing and in case of defects in the delivery item, where liability exists under the Product Liability Act for harm to persons and/or loss of or damage to property of privately used items. In the case of culpable violation of significant contractual obligations, the Supplier shall also bear liability in case of gross negligence on the part of non-managerial staff and in case of mere negligence, restricted in the latter case to reasonably foreseeable loss or damage typical of such contracts. Significant contractual obligations shall be defined to be those obligations, only the fulfilment of which makes trouble-free implementation of the contract as intended at all possible and of the adherence to which the Customer may normally be confident.

7.2.1 Liability for indirect damage (e.g. as a result of loss of production), consequential damage and loss of profit shall be deemed to be excluded where such loss or damage is not the result of intent or gross negligence on the part of the Supplier. Liability for loss or damage resulting from mere negligence shall be deemed to be restricted to the simple purchase price of the delivery item.

This restriction on liability shall not apply in the case of gross negligence or intentional causing of such loss or damage on the part of the Supplier. The Customer shall in all cases be deemed responsible for presenting and numbering any and all liability claims against the Supplier in a clear and comprehensible manner.

7.3 Any and all further claims for reimbursement of loss and/or damage, irrespective of the legal grounds, shall be deemed to be excluded. Where liability for reimbursement of loss or damage is excluded or restricted for the Supplier, this same provision shall also apply with respect to any personal liability for reimbursement for loss or damage on the part of the Supplier's staff.

7.4 Where no provision to the contrary has been agreed, the Customer shall be deemed entitled to withdraw from or cancel the contract on the basis of a breach of duty which does not constitute a defect only in cases in which the Supplier is proved to be responsible for such breach of duty. An unrestricted right of termination on the part of the Customer shall be deemed excluded. The legal preconditions and legal consequences shall apply in all other cases.

Article 8 Time limitation

8.1 Any and all claims raised by the Customer on any legal grounds whatsoever shall be deemed statutory barred within twelve (12) months or within 3,200 hours of operation from commissioning at the Customer's place of installation and in all cases, however, within eighteen (18) months from FCA delivery. The periods imposed by law shall apply to intentional or malicious conduct, gross negligence by the owner/the governing bodies or the managerial staff of the Supplier in case of culpable harm to life, limb and/or health and in case of claims raised under the Product Liability Act.

8.2 The Supplier shall be deemed to offer the Customer at the time of the making of the contract the option of the separately payable extension of the statutory period of limitation. Any deviation from the times, periods and

operating hours stated in 8.1 shall be included in written form in the individual purchase agreement in order to attain validity.

8.3 Where in the context of elimination of defects by the Supplier the Customer's rights revive all claims shall be deemed statutory barred within a period of twenty-four (24) months from delivery of the original item supplied.

Article 9 Adherence to sanctions

9.1 In respect of the use of the contractually agreed supplies and services the Customer hereby gives assurance of his recognition of and adherence to all applicable sanction, embargo and/or export-control regulations in the most recent valid edition as applied by

- The European Union (EU)
- The Federal Republic of Germany
- NATO member states where such are relevant to the particular business transaction.

In particular, the Customer hereby undertakes:

(1) Not to engage in any business transactions which violate or could violate sanctions enacted against states and/or persons by the above-stated legal systems;

(2) Not to use as either direct or indirect contractual partner or customer or economically authorised agent any of the persons, organisations or institutions listed above (e.g. on sanction or terrorist lists) and

(3) Not to engage in any business and/or transactions which are or may be intended to evade and undermine sanctions and/or export-control regulations.

(4) To maintain appropriate compliance provisions in order to ensure adherence to applicable sanction and/or export-control regulations and, in particular, by means of:

- Assessment of relevant business associates against relevant sanction lists

- Internal policies and instructions for the avoidance of business and/or transactions which are or may be intended to evade and undermine sanctions and/or export-control regulations.

9.2 The Customer hereby undertakes and acknowledges his obligation to furnish the Supplier upon the Supplier's justified demand appropriate proofs concerning the Customer's adherence to such obligations always provided no mandatory legal obligation to non-disclosure prevents such disclosure. The Customer shall notify the Supplier without delay in writing when he becomes aware of any circumstance(s) which indicate(s) (even potential) violation of sanction and/or export-control regulations in conjunction with the relevant contract. In the case of (even suspected) violation of the obligations stated in Article 9.1 the Customer shall be deemed entitled to temporarily suspend the contractually agreed supplies and services until such time as the circumstances have been clarified.

9.3 The Customer hereby undertakes to make all reasonable efforts to ensure that the purpose and intention of the sanction, embargo and/or export-control regulations are not thwarted by third-parties in the downstream trading chain; this provision also applies to possible resellers. The Customer hereby acknowledges his obligation to set up and maintain an appropriate monitoring mechanism in order to detect any conduct by third-parties in the downstream trading chain; this provision also applies to possible resellers which would or could thwart the purpose and intention of the sanction, embargo and/or export-control regulations.

9.4 The Supplier shall in addition be deemed entitled to terminate the contract without notice for good cause in the event of a verified violation by the Customer of the above-stated obligations. The Supplier's more extensive legal and contractual rights and, in particular, claims for reimbursement of damages as a result of monetary penalties imposed shall be deemed to remain unprejudiced by the above provision.

9.5 "No Russia" clause/"No Belarus" clause – Within the framework of the EU Sanctions on Russia Regulations the 12th package of sanctions and thus Article 12g of Council Regulation No. 833/2014 came into force in March 2024 and was subsequently expanded in July 2024. This Council Regulation mandatorily requires the Supplier to bindingly impose the following clauses on his customers domiciled in non-EU third-party states:

- (1) The Customer shall not directly or indirectly sell, export or re-export to the Russian Federation or to Belarus goods supplied within the framework or in conjunction with this contract and included under Article 12g of the European Council's Regulation (EU) No. 833/2014. This provision (1) shall also apply to goods intended for use in the Russian Federation and/or in Belarus.
- (2) The Customer shall undertake all reasonable efforts to ensure that the purpose and intention of the sanction, embargo and/or export-control regulations are not thwarted by third-parties in the downstream trading chain; this provision also applies to possible resellers.
- (3) The Customer shall set up and maintain an appropriate monitoring mechanism in order to detect any conduct by third-parties in the downstream trading chain which would or could thwart the purpose and intention of Paragraph 1; this provision (3) also applies to possible resellers.
- (4) The Customer shall notify the Supplier without delay concerning any and all problems in the application of Paragraphs (1), (2) or (3). This provision shall also apply to any and all relevant activities by third-parties which could thwart the purpose and intention of Paragraph 1.

Article 10 Use of software

10.1 Where software is included in the scope of supply, a non-exclusive right to use the software supplied, including its documentation, shall be granted to the Customer. It will be granted for use on the delivery item intended for this purpose. Use of the software on more than one system is not permitted.

10.2 The Customer shall copy, reproduce, revise, translate or convert from object code to source code only within the legally permitted limits (Articles 69a ff. of Act on Copyright and Related Rights [UrhG]). The Customer hereby undertakes neither to remove nor without prior written permission from the Supplier to change/modify any and all manufacturer's data and/or information and, in particular, any notices concerning Copyright. Any and all other rights to the software and the documentation, including copies, shall reside with the Supplier/with the Provider of such software. The issue of sub-licenses shall not be permissible.

10.3 The Customer shall independently and regularly secure his data in order to protect against data loss caused by computer viruses. He shall also take provisions to protect against computer viruses and any and all other destructive data (malware). The Supplier shall in the case of data security correctly performed by the Customer bear liability in case of loss or manipulation of data only for the time and expenditure necessary for the restoration of correct data.

10.4 The Supplier hereby undertakes to hand over to the Customer data security in electronic form together with the delivery of the delivery item. After delivery, the Supplier shall in no way be deemed obliged to update and/or care for data security.

Article 11 Reference and advertising agreement

11.1 Upon the making of a purchase agreement with the Supplier, the Customer shall be deemed to grant to the Supplier the right to use his company name and his corporate logo as a reference in the Supplier's marketing and

sales documentation (e.g. websites, brochures, presentations, social media) in a manner effective as advertising for both parties.

11.2 Any more extensive use by the Supplier and, in particular, in relation to project-related depiction in advertising films and/or any simplified and/or stylised depiction at, for example, trade-fair presences shall continue to remain excluded and shall in such cases require the Customer's separate written consent.

11.3 The Customer shall be deemed entitled to revoke in writing the granting of such right at any time with effect for the future.

Article 12 Applicable law and legal venue

12.1 Applicable law of the Federal Republic of Germany shall apply exclusively to the legal relations of the parties for all legal relations between the Supplier and the Customer.

12.2 The legal venue shall be the court responsible for the Supplier's domicile, this being the Local Court of Aalen/Regional Court of Münster. The Supplier shall, however, be deemed entitled to file suit at the location of the Customer's head office.

Article 13 General provisions

13.1 Where nothing to the contrary is contained in the confirmation of order, the place of fulfilment for the mutual obligations from the contractual relationship shall be the Supplier's domicile. This provision shall apply even in cases in which clauses customary in the trade are agreed.

13.2 Declarations serving to justify, maintain and/or exercise rights shall be deemed to need to be expressed in writing to attain validity. Where written form is not stipulated in law, electronic means of communication and, in particular, transmission via e-mail, shall be deemed to satisfy any requirement for fulfilment of written form provided a copy of the signed declaration is also transmitted.

13.3 The Customer shall not without the written consent of the Supplier assign his contractual rights to third-parties.

In Zweifelsfällen gilt die deutsche Fassung dieser Allgemeine Liefer- und Zahlungsbedingungen (AGB).	In case of doubt, the German-language version of these General Terms and Conditions of Supply and Payment shall have priority and shall be deemed decisive.
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