

General Terms and Conditions of Purchase

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1. Area of application

- 1.1. All deliveries, performances, and offers made by the seller are based on the buyer's General Terms and Conditions of Purchase exclusively. The buyer's conditions described below apply without any consideration as to whether the seller produces the goods himself or purchases these through sub-suppliers (§§ 433, 650 BGB [*German Civil Code*]). They also apply to any future business relationships, even if they have not explicitly been agreed upon again. Seller's deviating conditions which the buyer has not expressly acknowledged, the buyer considers as not-binding, even if he does not explicitly objects to them. The buyer's conditions also apply, even if the buyer accepts the delivery made by the seller without reservation, being fully aware of contradictory conditions regarding his conditions or those deviating from the seller's conditions.
- 1.2. Any agreement made between the buyer and the seller in connection with purchasing contracts, is laid down in writing in the purchasing contracts, these Conditions, and the offers made by the buyer.
- 1.3. Any informal agreements, side agreements and supplements to contracts must be made in writing or in text form (e.g. letter, e-mail, fax) to become effective. The requirement of a written form can only be cancelled in writing.

2. Offer and contract signing

The buyer will only accept orders as being binding, provided they are made in writing. The buyer is only bound by an offer for a purchasing order (order) for the period of two weeks. The seller can accept this offer made by the buyer in writing within this period of two weeks.

3. Prices and payments

- 3.1. The prices quoted by the buyer in the order are fixed, including all additional costs (such as transport insurance, packaging costs etc.). The quoted prices are binding, free delivery / DDP (Incoterms 2020) unless otherwise agreed upon in writing between the two parties. The prices are understood excluding the relevant applicable legal value added tax.
- 3.2. If the buyer deems the supplied goods to be in correct condition and free of defects, and unless deviating arrangements have been made in writing with the seller, the buyer will, upon receiving the invoice between the 1st and 15th of a month, settle the invoice up to the 30th / 31st of the same month with 3% discount, or, if the invoice is received between the 16th and 31st of the month, payment is made up to the 15th of the following month with 3% discount. Payment is made under reserve of checking the invoice and carried out at the buyer's choice by bank transfer, crossed cheque or bill of exchange.
- 3.3. In case of a bank transfer, payment is considered to be made on time, once the order for a transfer made by the buyer has reached the buyer's bank before the payment deadline expires; whereby the buyer does not sign responsible for delays caused by the banks involved in the bank transfer. A default of payment only becomes effective following the due date and reminder. The level of default interest is exclusively ruled by § 288 BGB.
- 3.4. The buyer is fully entitled to the legal rights of offsetting and retention. The seller is only entitled to the right of offsetting or retention in case of legally established or undisputed counter demands. The buyer has the right to assign all claims arising from the purchasing order without having to obtain the seller's approval. The seller does not have the right to assign claims arising from the contract to third parties without having obtained the written approval from the buyer.

- 3.5. The buyer will only make advance payments against seller's guarantee issued by a major German bank or public savings bank [*Sparkasse*].
- 3.6. All order confirmations, delivery papers, and invoices must show the customer's order number, item number, quantity and delivery address. If one or several of these details are missing causing a delay in the buyer's processing within the scope of a standard business transaction, the payment terms as quoted in Paragraph 2 are extended by the period of the delay.

4. Delivery obligations, delivery dates, place of performance, risk transfer

- 4.1. The delivery time, requested place of performance or the quoted date of delivery as laid down by the buyer in his order are binding for the seller.
- 4.2. Should the seller default delivery, the buyer is entitled to statutory claims. In this case the buyer is entitled to request 0.5%, at a maximum however, 5% of the net order value per started week of exceeding the deadline, without the buyer having to provide evidence of damage. The buyer retains the right to prove that a higher damage has occurred. The seller retains the right to prove that no damage at all or a rather less serious damage has occurred. The buyer is furthermore entitled to carry out covering purchases at the seller's expense, once a reasonable extension period expires without result. This applies to the overall fulfilment of performances, even if default only appears regarding a part delivery, and the buyer is not interested in a part performance. If the buyer claims damages, the seller is entitled to prove that he is not responsible for violating his obligations.
- 4.3. As soon as the seller realises that he will not be able to meet his obligations on time either in full or in part or that he may not be able to supply the product in the agreed upon quality, he is obliged to inform the buyer at once by giving the reasons in writing and quoting – if possible – the envisaged date of delivery or the quality agreed upon. The seller bears the damage resulting from infringing his obligation.
- 4.4. The seller is not entitled to supply part deliveries, unless the buyer has explicitly agreed. The buyer, however, is entitled to call up part deliveries of the ordered goods. In as far as the ordered goods have not yet been manufactured, the buyer can request that the design and execution is amended.
- 4.5. The delivery is always carried out at the seller's risk. Unless otherwise agreed, the risk is only transferred at the point when the ordered goods are handed over to the buyer. If an acceptance has been agreed, then this is decisive for the transfer of risk.
- 4.6. The goods are despatched at the seller's cost and risk. This also applies to returns. The buyer has the right to refuse acceptance of a delivery, if on the day of receipt of goods, the correct despatch papers are not available or his order details are either not at all or only shown incomplete in the despatch papers, without this resulting in a default of receipt or acceptance. The seller bears the thus resulting costs with reference to the refusal to accept. The despatch papers include a detailed delivery note which has to be added to the goods for the Goods In control. In case of express freight or post parcels, the delivery note is attached to the goods in a sealed envelope.
- 4.7. In case of transport damage where a statement of facts is recorded and established, the seller is obliged to rectify the damage and also to report the damage to his insurance without the buyer incurring any additional costs. In such cases the seller bears the costs for storage, re-packaging and return of the damaged goods to be supplied.
- 4.8. The buyer bears the costs for transport insurance only provided the buyer requests such a transport insurance.

- 4.9. Even if a despatch has been agreed, the risk is only transferred to the buyer, once the goods are handed over to the buyer at the agreed upon place of destination.

5. Compliance

- 5.1. The seller is obliged to observe the relevant legal regulations in connection with the contractual relationship. This applies above all to laws of anti-corruption and money laundering as well as directives concerning competition, employment, and environment laws.
- 5.2. The seller will ascertain that the products supplied by him comply with the decisive requirements of introducing goods into the European Union and the European Economic Area. Upon request he has to submit relevant documents to the buyer to prove conformity.
- 5.3. The seller ascertains that all deliveries and services comply with state-of-the-art technology, relevant legal regulations, rules, directives and guidelines of authorities, trade and professional associations.
- 5.4. The seller has to fulfil the environmental requirements according to German and European law. The seller guarantees that all products fulfil the requirements of the EU Directive 2011/65/EU as well as the delegated Directive 2015/863/EU "to restrict the use of certain hazardous substances in electrical and electronic equipment" („RoHS – Directive"). The seller guarantees that all products and their packaging do not contain any substances of the current list according to Article 59 (1) in connection with Annex XIV of the EU regulation No. 1907/2006 („REACH - Regulation") and the Packaging Act (VerpackG), and fulfil the relevant requirements of the afore-mentioned regulations and laws (RoHS, Reach and VerpackG) in respect of the relevant products and parts of products.
- 5.5. Should deviations from the afore-mentioned regulations become necessary in an individual case, then they must be approved by the buyer in writing beforehand. Furthermore, the seller promises that he has subjected all deliveries and services to a thorough quality control prior to release and that there has not been any question of complaint. Upon request the seller has to submit the relevant certificates to the buyer.
- 5.6. The seller will undertake acceptable efforts with regard to maintaining the regulations of Paragraph 5, concerning the seller's obligations to ascertain these obligations also through his sub-suppliers.

6. Defective delivery

- 6.1. Unless otherwise agreed, the legal regulations apply regarding the buyer's rights in case of defects to objects and regulations of the goods (including wrong or short deliveries as well as improper assembly, incomplete assembly-, operational- or operating instructions) and further violations of obligations by the seller.
- 6.2. In compliance with legal regulations, the seller is in particular liable that the goods have the agreed upon quality at the point of transfer of risk to the buyer. The relevant product specifications – in particular those that by their description or reference to them in the buyer's order – are part of the relevant contract or are included in the same way in these General Terms and Conditions of Purchase with regard to their agreed upon quality. It is irrelevant whether the product specification originates from buyer, seller or manufacturer.
- 6.3. The buyer is not obliged to inspect the goods or to look for possible defects upon signing the contract. Partly deviating from § 442 Para. 1 S. 2 BGB, the buyer is even then unrestrictedly entitled to claims for defects due to gross negligence if he had been unaware of the defect when signing the contract.

- 6.4. The legal regulations (§§ 377, 381 HGB) apply in respect of the commercial obligation of examination and notification of defect: The customer's obligation of examination is restricted to defects that come to light during the Goods In control at the customer's by visual inspection, including the delivery papers (e.g. transport damage, wrong or short delivery) or which are detected during the customer's random quality control. If an acceptance is agreed there is no need for an obligation of examination. Furthermore it depends whether it is feasible to carry out an inspection by considering the circumstances in an individual case in an ordinary course of business. The customer's right to notify those defects detected at a later stage remains unaffected. Without prejudice to the customer's obligation of examination, the customer's notification of defect is considered to be made at once and in time, provided it has been sent within 5 working days from the time of discovery or in case of obvious defect, from the time of delivery.
- 6.5. A rectification also includes the dismantling of defective goods and the reassembly in as far as the goods were installed in or attached to another object according to their type and purpose of use. The customer's legal claim for being compensated for relevant expenses remains unaffected. The expenses required for the purpose of inspecting and rectifying are even then borne by the seller if it transpires that there did not exist a defect after all. The customer's liability for damages in case of an unjustified request to rectify defects remains unaffected; the customer is therefore only liable, if he had realised or had acted grossly negligent and not realised that there did not exist a defect at all.
- 6.6. Without prejudice of legal rights and regulations of Paragraph 5 the following applies: Should the seller not fulfil his obligation for a rectification – at the buyer's choice by rectifying the defect (reworking) or by supplying a product free from defects (replacement delivery) – within an acceptable period of time set by the buyer, the buyer can rectify the defect himself and request compensation from the seller for the expenses incurred or even request an appropriate advance payment. Should the seller's rectification fail or is unacceptable to the buyer (e.g. due to the urgency, endangering the operational safety or the threat of unacceptable damage) there is no need for a deadline; the buyer will inform the seller at once, if possible prior to the situation arising.
- 6.7. In addition, the buyer is entitled – in compliance with legal regulations – to reduce the purchasing price or even to withdraw from the contract in case of quality defects or defect of title of the goods. The buyer can also claim for compensation and reimbursement of expenses in compliance with legal regulations.

7. Supplier regress

- 7.1. Apart from claims for defects, the buyer is unrestrictedly entitled to the legal claims for compensation within a supply chain (Supplier regress according to §§ 445a, 445b, 478 BGB). In particular, the buyer is entitled to request from the seller exactly that type of rectification (repair or replacement) which the buyer owes his customer in an individual case. The buyer's legal right of choosing (§ 439 Para. 1 BGB) remains unaffected.
- 7.2. Before the buyer acknowledges or fulfils one of the asserted claim for defect to one of his customers (including reimbursement of expenses according to §§ 445a Para. 1, 439 Para. 2 and 3 BGB) he will inform the seller explaining the situation and ask for a written statement. Should an explanatory statement not be received within an acceptable period of time and no mutual solution is found, the actually granted claim for defects is considered owed to the customer's client. In this case the seller is obliged to give evidence to the contrary.
- 7.3. Buyer's claims from supplier regress also apply in case the defective goods were, for example, processed by building them into another product by the buyer or another entrepreneur.

8. Product liability

- 8.1. In case a third party claims compensation from the buyer due to a product defect for which the seller is responsible, the seller has to indemnify buyer upon first request from all third party's claims including all those costs required to defend these claims, if the seller has deemed the reason in his field of control and organisation.
- 8.2. In case the buyer has to start a recall due to a defect in terms of Item VIII. 1., the seller is obliged to reimburse the buyer all costs resulting from or in connection with the carried out recall. The buyer will – as long as it is possible for him and acceptable – inform the seller about the contents and extent of the recall and request a statement from him. Further legal claims by the buyer remain unaffected.
- 8.3. The seller is obliged to take out a product liability insurance for the contractual object of a sum insured amounting to at least € 6 million per damage to person/object, to maintain this and to submit it upon request. Further legal claims of the buyer remain unaffected.

9. Property rights

- 9.1. In compliance with paragraph 2, the seller ascertains that property rights of third parties within the countries of the European Union or outside therefore, where he manufactures products or have them manufactured, are not infringed by products supplied by him.
- 9.2. The seller is obliged to indemnify the buyer against claims that a third party may raise in respect of the infringement of commercial property rights mentioned in paragraph 1 and to reimburse the buyer with all expenses he incurred in connection with this claim. This does, however, not apply, if the seller can prove that he is not responsible for infringing property rights or that he should have been aware of this at the time of delivery by using the diligence of a prudent businessman.
- 9.3. Further legal claims of the buyer regarding legal defects of the products supplied to the buyer remain unaffected.

10. Limitation

- 10.1. The reciprocal claims of the contract parties are limited in compliance with the legal regulations, in as far as nothing has been agreed to the contrary below.
- 10.2. Deviating from § 438 Paragraph 1 No. 3 BGB [*German Civil Code*], the general period of limitation for claims for defects is 3 years starting from the transfer of risks. If an acceptance has been agreed, the limitation period starts with the acceptance. The 3-year-limitation period also applies to claims of defects in title, whereby the statutory limitation period for claims of restitution of property of third parties (§ 438 Para. 1 No. 1 BGB) remains unaffected. Claims for defects in title are not limited in any case as long as the third party can still assert the right – especially in case of lack of limitation – towards the buyer.
- 10.3. The periods of limitation of the purchasing right including afore-mentioned extension apply - within the statutory extent - to all contractual claims of defects. In as far as the buyer is entitled to extra-contractual damages due to a defect, the regular statutory limitation (§§ 195, 199 BGB) applies, unless the application of the limitation period of the purchasing law leads to an extended limitation period in an individual case.

11. Retention of title

- 11.1. Upon receipt, all deliveries enter into buyer's ownership. The seller does explicitly not agree to retention of title. The seller confirms that there is no retention of title placed on the supplied goods.
- 11.2. All parts (reserved goods) and tools made available by the buyer remain the buyer's property. Should the seller process or rebuild the goods, then this is carried out in the buyer's name. In case the reserved goods of the buyer are processed together with parts that are not owned by the buyer, he will acquire the co-ownership of the

newly-produced products in ratio of the value of the supplied reserved goods to the other processed goods at the time of processing. The same applies in case a product made available by the buyer is inseparably mixed with goods not belonging to him, then the newly-produced part is to be considered as the seller's main part and the seller is obliged to transfer a proportionate co-ownership to the buyer. In any case, the buyer keeps the sole ownership and/or the co-ownership of the buyer for him.

11.3. Buyer's tools made available to the seller may only be used exclusively for the goods ordered by the buyer and the seller has to take out insurance for damage caused by fire, water, and theft at his cost. At this point already, the seller has to assign any claims resulting from these insurances to the buyer, who accepts the assignment with this agreement. The seller has to carry out service- and maintenance work in due course at these tools in accordance with the relevant instructions of use and contractual agreements at his expense.

11.4. All tools, parts, and documents received from the buyer, may only be used outside of this contract, and/or be passed on to third parties or made accessible to these said third parties by the seller, provided the seller has obtained the buyer's written approval. After having completed the relevant contract, the seller has to return these at his expense to the buyer without delay.

12. Carrying out work at the buyer's premises

12.1. Persons carrying out work in the buyer's premises to fulfil the contract are obliged to observe the regulations of the relevant work rules; regulations in place to enter and leave the factory premises must be observed at all times.

12.2. The buyer is not liable for accidents that involve these persons on his premises or in the plant, unless the buyer has caused the accident with malice aforethought or gross negligence.

13. Confidentiality

13.1. The seller as well as the buyer promise to treat confidentially all those commercial and technical details not known publicly that they come across during the business relationship.

13.2. Drawings, models, samples, tools, documents and such that the buyer makes available to the seller or which he pays for, remain or become the buyer's property. A possible transfer of possession is replaced in a way that the seller keeps and insures the objects for the buyer free of charge with the due diligence that is expected of a correct merchant.

The seller is not allowed to hand over drawings, models, samples, tools, documents and such to third parties either for inspection or make these accessible or for reproduction without having obtained the explicit written approval from the buyer. This also applies to documents that the buyer makes available for printing. The products made according to the documents may not be supplied to third parties without having obtained the buyer's explicit written approval. Sub-suppliers must be instructed accordingly by the seller.

13.3. Once the contract is finished, drawings, models, tools, documents and such must be returned to the buyer or be irretrievably destroyed free of charge without having received a special request to do so.

14. Privacy policy

Should the seller gain access to person-related data while executing his contract, he will observe the relevant applicable data protection regulations, in particular in respect of person-related data and use these exclusively for the purpose of carrying out performances in connection with the contract (purpose-related) and also ascertain that his employees only gain access to this data if absolutely necessary and will also commit his employees in writing to secrecy and instruct them, too, about the data protection regulations to be observed and to evidence all this to the buyer upon buyer's request. The seller guarantees that person-related data are protected according to state-of-the-art technology. In case person-related data are processed by the seller by order of the buyer, he will sign a data protection agreement prior to his gaining access to the buyer's person-related data. The seller guarantees that such person-related data referring to the buyer is only processed within the territory of the Federal Republic of Germany, a member state of the European Union or a member state of the agreement on the European Economic Area. Deviations herefrom are to be explicitly agreed between buyer and seller in writing and are a prerequisite for signing the necessary contracts.

15. Force majeure

- 15.1. In cases of force majeure, the contract party affected is released from its obligation to supply or accept for the period and the extent of the effect of the situation. Force majeure is any event that is outside of an influence of the relevant contract party whereby it is prevented from fulfilling its obligations completely or in part, including damage caused by fire, flooding, industrial strikes and legal lockouts as well as disruptions not caused by it or authoritative rules as well as epidemics and pandemics. Supply problems and other disruptions of performance from seller's sub-suppliers are only then considered to be subject to force majeure provided the sub-supplier is prevented from carrying out his contractual performances by an event described in sentence 1.
- 15.2. The affected contract party will inform the other party at once about the occurrence of such a force majeure event and endeavours as best as possible to rectify the force majeure in order to restrict its effects as far as possible.
- 15.3. In case of a force majeure, the contract partners will coordinate how to proceed and determine whether the products that were not supplied during the time of a force majeure event are to be delivered subsequently. Irrespective of this, each contract part is entitled to withdraw from the orders affected by this circumstance should the force majeure situation last longer than 4 weeks since the agreed upon time of delivery. In case the force majeure situation lasts longer, the right of each contract party to cancel the contract for an important reason remains unaffected.

16. Place of jurisdiction, place of fulfilment, final provisions

- 16.1. The buyer's main office is the place of fulfilment and exclusive – also international – place of jurisdiction for deliveries and payments (including actions on cheques) as well as all disputes arising from the contracts signed between the parties in as far as the seller is a merchant in terms of the Code of Commercial Law (HGB). The seller has, however, the right to assert his claims at the seller's general court of jurisdiction.
- 16.2. The relationships between the contract parties are exclusively ruled by the law applicable in the Federal Republic of Germany, by excluding the UN sales law and the Private International law (IPR).
- 16.3. The contract language is German. Should the contract parties use another language alongside, the German wording will prevail in case of doubt.