

General Terms and Conditions of Purchase of BURKHARDT+WEBER Fertigungssysteme GmbH**1. General**

- 1.1 Our present General Terms and Conditions of Purchase (hereinafter referred to as "GTCP") apply to all business relationships with our business partners and suppliers (hereinafter referred to as "Suppliers"). The GTCP shall only apply if the Supplier is an entrepreneur (section 14 of the German Civil Code (BGB [*Bürgerliches Gesetzbuch*])) or a special fund under public law.
- 1.2 These GTCP apply in particular to contracts for the sale and/or delivery of movable goods (hereinafter also referred to as "Goods"), irrespective of whether the Supplier manufactures the Goods or purchases them from other suppliers (sections 433, 651 BGB). These GTCP in their respective version as applicable at the time BW places the order shall function as a framework agreement, including for future contracts for the sale and/or delivery of movable Goods with the same Supplier, without our having to refer to them in each individual case.
- 1.3 Our GTCP shall apply exclusively. The application of any deviating, conflicting or supplementary General Terms and Conditions (GTC) of the Supplier shall be excluded, such GTC being applicable only insofar as we have expressly agreed to them in writing. This requirement of consent shall apply in any case, for instance even if the Supplier references their GTC within the scope of the order confirmation and even if we do not expressly object thereto.
- 1.4 Any legally relevant declarations and notifications to be made to us by the Supplier after entering into the contract (e.g. the setting of deadlines, reminders, declarations of withdrawal) require the written form in order to be effective, with the written form within the meaning of these GTCP including the written as well as the textual form (e.g. letter, e-mail, fax). Any statutory requirements of form and of any further evidence, in particular in case of doubt about the legitimacy of the declarant, shall remain unaffected.
- 1.5 Any references as to the applicability of statutory provisions are for the purpose of clarification only. This means that such statutory provisions shall apply even in the absence of such clarification unless they are directly amended or expressly excluded within these GTCP.

2. Orders and order confirmations

- 2.1 Our order shall not be deemed to be binding until it has been submitted or confirmed in writing. Any verbal side agreements after conclusion of the contract are only effective if they have been confirmed in writing by BW. The Supplier shall make us aware of any obvious errors (e.g. spelling and calculation errors) in and any incompleteness of our order including of the order documents in order to enable us to correct and/or complete them before acceptance; otherwise the contract shall be deemed not to have been concluded.
- 2.2 The Supplier shall provide us with a written order confirmation within 7 working days of receipt of the order at the latest or, in particular, shall be obliged to execute the order without reservation by means of dispatch of the Goods (acceptance). After expiry of this period, we have the right to cancel the order without being subject to pay any costs in connection therewith.

3. Delivery date and delivery, delay in delivery

- 3.1 The agreed dates and deadlines shall be binding. Compliance with the dates of delivery shall be subject to receipt of the Goods at the delivery address stated in our order. Unless otherwise agreed, the terms of delivery shall be "Delivered at Place" (DAP Incoterms 2020 Reutlingen). The respective destination shall also be deemed to be the place of performance (debt to be discharged at creditor's premises). The costs of transport including packaging, as well as any additional costs for accelerated transport necessary to meet a delivery date, as well as all ancillary costs shall be borne by the Supplier unless expressly agreed otherwise. Clause 4.2 shall remain unaffected.
- 3.2 We have obtained insurance cover against damage from any delays in delivery ourselves.
- 3.3 The Supplier shall immediately inform us of any delays in delivery by telephone or in writing, stating the reasons. If the day on which delivery must be made at the latest can be determined on the basis of the contract, the Supplier shall be considered to be in default on expiry of this day without the requirement of a reminder on our part. Our rights in the event of a delay in delivery shall be determined in accordance with the applicable statutory provisions, including the right to withdraw from the contract and the right to claim damages in lieu of performance after the fruitless expiry of a reasonable grace period. The provisions of Clause 3.5 shall remain unaffected.
- 3.4 The Supplier's default shall entitle us to liquidated damages for the default damage incurred in the amount of 1% of the net order value per working week, but not to more than 5% in total. We reserve ourselves the right to prove that the damage incurred has been higher. The burden of proof that we have not incurred any damage at all or only significantly minor damage shall lie with the Supplier.

Our unconditional acceptance of a delayed delivery or service shall not constitute a waiver of the rights that have accrued to us due to the Supplier defaulting on a delivery or service; this shall apply until our full payment of the remuneration owed by us.

- 3.5 Receipt of the Goods can only be taken during our goods receipt times, which are: Mondays till Fridays from: 07:30 - 11:45 and from 13:00 - 15:30. Deliveries outside of these times shall not be accepted. Deliveries of larger consignments must be notified.
- 3.6 Boxes, crates, cartons and packages must contain a copy of the delivery note evidencing the order data. Individual construction and machine parts must also be legibly marked with the number of the drawing. The Supplier shall use environmentally compatible packaging that does not require special disposal. Otherwise, the Supplier shall be obliged to bear the costs of disposal.

4. Performance, transfer of risk, acceptance, rights of ownership

- 4.1 The Supplier does not have the right to have the services owed by them performed by any third parties (such as subcontractors) without our written consent.
- 4.2 Irrespective of the agreed pricing, the transfer of risk to us shall take place upon receipt of the Goods at the address of delivery specified by us in the case of delivery without installation and assembly, and upon successful completion of assembly and our acceptance in the case of delivery with installation and assembly. Out putting the Goods into operation or using them does not replace our declaration of acceptance.
- 4.3 The Goods delivered become our property upon being handed over, irrespective of when the purchase price is paid. The Supplier shall, however, be authorised to declare a retention of title until that point in time when the price for the Goods delivered has been paid. However, if we - in an individual case - accept an offer of the Seller which is conditional upon payment of the purchase price, the Seller's retention of title shall expire upon payment of the purchase price for the Goods delivered at the latest. Even prior to payment of the purchase price, we shall remain authorised to resell the Goods in the ordinary course of business by provisionally assigning the claims arising therefrom (or, alternatively, the reservation of title shall simply be deemed to be extended to the resale) Any prolonged or extended retention of title beyond the foregoing shall be excluded. In the further processing (e.g. provision) of the delivered Goods by us, we shall be deemed to be the manufacturer and, at the latest upon further processing, we shall acquire ownership of the goods in accordance with the applicable statutory provisions.

5. Prices, terms of payment and invoice

- 5.1 The prices stated in the order shall be binding. Unless otherwise agreed in individual cases, the price includes any and all services and ancillary services (e.g. assembly, installation) provided by the Supplier as well as any and all ancillary costs (e.g. proper packaging, transport costs).
- 5.2 The invoice must be sent to the Accounting Department of BW after the Goods have been dispatched, quoting our order number and material number; it must not be enclosed with the consignments.
- 5.3 Payment shall be made within 14 days with a 3% discount, 30 days with a 2% discount or 60 days net after receipt of invoice and goods or provision of the service, unless otherwise agreed with our Purchasing Department. For Goods delivered and invoiced prematurely, the payment term shall not commence until the time at which they should have been delivered as agreed. In the case of payment by bank transfer, payment shall be deemed to have been made on time if the order for the transfer to us is received by our bank before the expiry of the payment deadline, with any delays caused by the banks involved in the payment process being outside of our scope of responsibility.
- 5.4 We do not owe interest on maturity. The Seller's claim for interest on arrears shall remain unaffected. Occurrence of default shall be subject to the applicable statutory provisions. In any case, however, payment default requires a reminder on the part of the Seller.
- 5.5 Payments do not imply recognition of the delivery or service as being in conformity with the contract, with all payments being made subject to the reservation of claims for defects and liability.
- 5.6 Defective and/or incomplete delivery or performance entitle us, without prejudice to our other rights, to withhold payments to a reasonable extent until performance in conformity with the contract has been effected (plea of non-performance of contract). We shall be entitled to rights of set-off and retention to the extent provided by law.
- 5.7 The Supplier shall not be entitled to assign their claims against us to any third parties.
- 5.8 The Supplier's rights of set-off and retention are restricted to claims which are undisputed or judicially established.

6. Acceptance and claims for defects

Acceptance is subject to inspection for freedom from defects. We shall notify defects in the delivery without delay as soon as they have been detected by us in the ordinary course of business. Our obligation to inspect is limited to defects which become apparent during our incoming goods inspection (which involves an examination of the exterior of the Goods as well as of the delivery papers) as well as during our quality control according to a random sampling procedure (e.g. for transport damage, wrong deliveries or shortfalls in delivery). Insofar as acceptance has been agreed upon, there is no obligation to inspect. Otherwise, it depends on the extent to which an investigation is feasible in the ordinary course of business, taking into account the circumstances of the individual case. This does not affect our obligation to give notice of defects at a later point in time. In all cases, our complaint (notice of defect) shall be deemed to be immediate and timely if it is received by the Seller within 10 working days.

7. Warranty for defects of quality and title

- 7.1 The Supplier warrants that all items delivered or all services rendered by them are in compliance with the state of the art, the relevant national and international legal provisions and the regulations and guidelines issued by public authorities, professional associations and trade associations. A material defect shall also be deemed to exist if our specifications concerning the technical conditions of execution for the delivery of machinery and mechanical equipment have not been met.
- 7.2 Material defects and defects of title shall be governed by the applicable legal provisions. We shall have the right to choose the type of subsequent performance independently of the type of contract with the Supplier.
- 7.3 Subsequent performance shall also include the removal of the defective Goods and their re-installation, provided that the Goods, in accordance with their type and intended use, were installed in another item or attached to another item before the defect became apparent; our statutory claim for the reimbursement of the expenses in connection therewith (removal and installation costs) shall remain unaffected. The Supplier shall bear the necessary expenses for purposes of inspections and subsequent performance, in particular any transport, travel, labour and material costs and, if applicable, removal and installation costs, even if it turns out that there was actually no defect. Our liability for damages in the event of an unjustified request to remedy a defect shall remain unaffected; in this respect, however, our liability shall be limited to cases where we recognised or were grossly negligent in not recognising that there was no defect.
- 7.4 During the period during which the Goods or services are not in our custody, the Supplier shall bear the risk of any deterioration and accidental loss.
- 7.5 If the Supplier is in default with regard to subsequent performance, if they deny the existence of a defect, and furthermore in cases of special urgency and imminent danger (in particular in case of danger to operational safety or in order to avert exceptionally serious damage), we shall be entitled, after having given prior notice to the Supplier and after expiry of a short period of grace granted to the Supplier which is reasonable in view of the situation, to correct the defect and any damage caused thereby ourselves or to have them corrected by a third party at the Supplier's expense. This also applies in cases of late delivery where we have to remedy the defects immediately in order to avoid late deliveries on our part. In these cases, the Supplier shall bear any costs that arise.
- 7.6 Apart from that, any material defect or defect in title gives us the right, in accordance with the statutory provisions and at our own discretion, to withdraw from the contract or to reduce the remuneration and in each case to claim additional damage compensation.
- 7.7 Insofar as the law does not provide for a period of limitation longer than 36 months and unless agreed otherwise, the period of limitation for claims for defects shall be 36 months as from the transfer of risk. Insofar as acceptance has been agreed upon, the period of limitation shall commence upon acceptance. For parts repaired or repaired during the period of limitation, the period of limitation shall recommence at the point in time where the Supplier has completed the full extent of their supplementary performance with regard to these parts and to the extent that they have thereby acknowledges their obligation to correct the defect.
- 7.8 Insofar as a defect also entitles us to non-contractual claims for damage compensation, the regular statutory period of limitation (sections 195, 199 BGB) shall apply thereto unless the application of the other statutory period of limitation would lead to a longer period of limitation in individual cases.

8. Supplier recourse

- 8.1 Our legally determined claims for expenses and recourse within a supply chain (supplier recourse pursuant to sections 478, 445a, 445b and 327u BGB) shall accrue to us in addition to the claims for defects without restriction. In particular, we have the right to ask the Supplier exactly for the type of subsequent performance (repair or replacement delivery) that we owe our customer in the individual case. This does not limit our statutory right of choice (section 439 para. 1 BGB).
- 8.2 Before we acknowledge or fulfil a claim for defects asserted by our customer (including reimbursement of expenses pursuant to sections 445a para. 1, 439 para. 2, 3, 6 sentence 2, 475 para. 4 BGB), we will notify the Supplier and ask for a written statement, briefly stating the facts of the case. If a substantiated statement is not made within a

reasonable period of time and if no amicable solution is brought about, the claim for defects actually granted by us shall be deemed to be owed to our customer. In this case, the burden of proof to the contrary lies with the Supplier.

- 8.3 Out claims arising from supplier recourse shall also apply if the defective goods have been combined with another product or processed by us, by our customer or by a third party in any other way, e.g. by way of incorporation, attachment or installation.

9. Product and producer liability, recall and quality assurance

- 9.1 It is the Supplier's obligation to indemnify us against all claims arising from product and manufacturer's liability insofar as they are responsible for the defect which has given rise to the liability. In such cases, they shall bear all costs and expenses, including the costs for any legal action or precautionary recall measures. Insofar as this is possible and reasonable, we will inform the Supplier about the content and scope of the recall measures and give them the opportunity to comment. Any legal claims beyond that shall remain unaffected.
- 9.2 The Supplier shall be liable for any degree of fault. Any clauses limiting the Supplier's liability shall not be recognised by us. However, the Supplier's obligation to compensate is excluded or limited to the extent that we have effectively excluded or limited liability towards our customers.
- 9.3 The Supplier shall obtain sufficient insurance cover against any and all insurable risks arising from product liability, including the risk of recall. They shall be obliged to submit the insurance certificate for our inspection upon request.
- 9.4 The Supplier shall carry out quality assurance measures which are suitable in terms of their type and scope and in conformity with the state of the art and shall provide us with evidence thereof upon request.

10. Assembly work at the BW factory or at the end customer's premises

- 10.1 The Supplier undertakes to unconditionally observe and comply with the accident prevention regulations (UVV) as well as with the instructions for operational health and safety, environmental protection and fire protection applicable to third-party visitors to the premises, as amended.
- 10.2 When starting with the assembly work, the Supplier's employees must register with the responsible persons of our pertinent specialist departments immediately after arrival.
- 10.3 Assembly work may only be carried out using equipment and machinery which is in conformity with the accident prevention regulations (UVV) and the VDE regulations. The Supplier declares having taken up sufficient employers' liability cover against any damage caused by its employees. They shall be obliged to submit any insurance policies to this effect upon request.
- 10.4 The Supplier shall indemnify us against any claims caused by their employees and by other third parties which arise out of or in connection with the performance of work at our plant or, respectively, with our end customers, and from non-compliance with the aforementioned obligations.
- 10.5 Welding work may only be carried out with our permission.

11. Force majeure

Should we be prevented from accepting the delivery or service due to Force Majeure, in particular in the case of strikes, lockouts, disruptions of our operations for which we are not responsible, riots, measures taken by the administrative authorities, pandemics, epidemics and other events for which we are not responsible, we shall be entitled to withdraw from the contract in whole or in part or to postpone the date of acceptance for the time for which we are thus prevented, insofar as such prevention is not insignificant in duration and the withdrawal or the postponement of the date of acceptance appear reasonable with a view to safeguarding our interests. Prevention by reason of Force Majeure does not give rise to any claims against us.

12. Objects, documents and confidentiality

- 12.1 All documents, in particular illustrations, plans, drawings, models, calculations, execution instructions, product descriptions as well as data and objects provided by us to the Supplier for the purpose of submitting an offer or executing an order - in particular any models, moulds and tools - shall remain our property and may not be used, reproduced or made accessible to third parties for purposes other than the execution of the order placed by BW without our express written consent. These documents, data or items have to be returned to us after completion of the order. If the Supplier is in violation of this obligation, they shall be liable to compensate us for the damage arising therefrom.
- 12.2 The Supplier undertakes to use the special knowledge and experience acquired by them on the occasion of the execution of our order exclusively for the execution of our orders and shall refrain from bringing them to the attention of any third parties, including after termination of the Agreement.

- 12.3 The Supplier may use the tools provided by us only for processing the goods ordered by us. They are obliged to obtain insurance coverage for such tools at their own expense at the replacement value, the amount of which they can request from us if necessary. They shall assign to us any and all of their claims for compensation against the insurer, an assignment which we hereby accept.
- 12.4 The drawings attached to the order are valid to the full extent.
Any provided data of any kind shall be subject to full verification by the Supplier.

13. Code of Conduct

The Supplier is contractually obligated to comply with the laws of the respective applicable jurisdiction. In particular, the Supplier shall neither actively nor passively, neither directly nor indirectly engage in any form of bribery, in the violation of the fundamental rights of their employees or in child labour. They shall be committed to protect the health and safety of their employees, to observe the applicable law on environmental protection and to promote and to demand compliance with this Code of Conduct among their Suppliers.

14. Jurisdiction and applicable law

- 14.1 The place of jurisdiction - including at the international level - for any and all disputes arising directly or indirectly from the contractual relationship shall be Reutlingen in case of our contractual partner being a merchant, a legal entity under public law or a special fund under public law. We are, however, also entitled to sue the supplier at their general place of jurisdiction.
- 14.2 These General Terms and Conditions of Purchase - including for deliveries from abroad - shall be subject to German law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

15. Severability clause

Should one or more provisions of these General Terms and Conditions of Purchase be or become invalid in whole or in part, this shall not affect the validity of the remainder of the General Terms and Conditions of Purchase. Instead of the invalid or unenforceable provision, a valid and effective provision shall be deemed to have been agreed upon which comes as close as possible to this provision in legal and economic terms and which would reasonably have been agreed upon if the Parties had taken the invalidity or unenforceability of the respective provision into account upon entering into this Agreement. The foregoing provisions apply by way of analogy in case of a loophole in the provisions of the Agreement.