

## General purchasing terms and conditions

of ESCHA GmbH & Co. KG in 58553 Halver/Germany

### Section 1 Scope of validity

1. The following purchasing terms and conditions apply to all business with our suppliers or other contractors (hereinafter referred to jointly as the "supplier") even if they are not mentioned in later processes or contracts. The inclusion of general purchasing terms and conditions or other general terms of the supplier is hereby expressly excluded. This is also the case if the supplier refers to their own general terms, even if these contain protective or exclusive clauses, and we do not expressly oppose them, irrespective of the chronology of the competing conditions coming to the attention of the contractual partners, unless they have been agreed in writing. Accepting goods or services does not render other conditions valid or enforceable.
2. Our purchasing terms and conditions also apply - without this being expressly stated - to all future business with the supplier unless an alternative written agreement on this has been agreed with the supplier.

### Section 2 Conclusion of the contract

1. An order is considered to have been placed if it is made by us in writing on proper order forms or in electronic or fax form. Spoken or telephone orders from us are only binding if they have been confirmed through the subsequent sending of a written order.
2. An order is considered to have been accepted if the supplier does not contradict its acceptance within 7 calendar days in text form. With the acceptance of the order the supplier acknowledges that they have informed themselves about the type of implementation and scope of performance by viewing the documents present. If there are obvious errors and spelling and calculation mistakes in the documents presented by us, we are not bound by them. The supplier is obliged to immediately inform us in writing of such mistakes so that we can correct our order. This also applies to missing documents. Order acceptances have to be confirmed to us within two working days in the country of origin from the point in time of the order, otherwise we are entitled to revocation.
3. On request, the supplier must provide at no cost the regular documents, test reports, reports, documentation and validations, which are in accordance with the state of the art, (hereinafter "documents") of the respective delivery. The project language is German. On request, the documents will also be created by the supplier in the English language. If there are any discrepancies between the documents, the German version applies.
4. Differences in quantity or quality in respect of the text and the content of our order as well as later contractual changes only apply if we have confirmed them in writing.
5. The article and drawing numbers, index, change status, order and supplier numbers listed in our orders must be given in invoices as well as all correspondence. (please adopt in accordance with comment)

6. The prices listed in our framework and/or individual orders are to be understood as fixed prices within the arranged term, identically binding for all deliveries from the scheduling agreements on the basis of the last negotiated article prices. All metal supplements and processing costs are calculated daily on the basis of the article base price (e.g. Cu base € 150/% kg). The Cu calculation takes place one day after the receipt of the order or call off on the basis of the upper DEL note plus 1%. The metal supplements and processing costs must always be listed on all order documents (order confirmation, delivery note and invoice) separately.

### Section 3 Delivery date

1. The delivery dates arranged are binding (fixed date transaction). The delivery periods begin from the date of the order. Within the delivery period the good must be received by the point of receipt we stipulated. Any delays to delivery must be communicated to us in writing without delay at the latest within two working days following knowledge of the predicted delay and justification must be given.
2. In the case of arranged delivery dates, the supplier is authorised to deliver early. If the supplier intends to delivery before the arranged delivery date, then one week before the intended earlier delivery date he must inform us of this as well as the intended delivery quantity. The supplier is not authorised to deliver early if and to the extent that operational issues (e.g. lack of storage capacity) prevent this. Following receipt of the notification on early delivery, we shall inform the supplier without delay if and to what extent operational issues prevent such early delivery. Here, a refusal to accept a delivery on our part does not trigger a delay to acceptance. If performance by a supplier contains both a scheduled delivery and an early extra delivery, then we are entitled to only accept the scheduled part of the delivery. In any case the supplier remains bound to carry out the scheduled delivery. An early delivery does not lead to the due date of the purchasing price being brought forward.
3. If call off orders have been arranged, then call offs become binding if the supplier does not immediately contradict them in writing.
4. If the supplier falls into arrears, then we are entitled to statutory claims. In particular in such cases we have the right to request a contractual fine of 1% of the net order value per week commenced, though no more than 5% of the net order value. Alongside the contractual fine we can request delivery or withdraw from the contract. A contractual fine paid can be counted as part of a claim for damages. Section 343 German Civil Code is reserved. The acceptance of late delivery or performance does not mean that we will not assert compensation claims.

### Section 4 Disengagement law

1. Force majeure or operational disruptions which seriously impede operations in our company and are not caused by us release us from our acceptance obligations. Force majeure is any extraordinary event which could not be predicted upon conclusion of the contract and which could not be prevented even when appropriate care was taken, e.g. natural catastrophes, war, etc.

2. We are entitled to terminate the contract without giving notice if an application to initiate insolvency proceedings is made concerning the assets of the supplier and is not rejected as unfounded; the execution of insolvency proceedings is rejected due to insufficient assets; or the supplier ceases operations.
3. We are also entitled to terminate the contract without giving notice if the ownership structure of the supplier changes significantly or the owner of the supplier changes.
4. We are also entitled to terminate the contract without notice if the supplier has ceased to deliver to their client, they are insolvent, they cannot pay or they cease to make payments.

#### Section 5 Dispatch, packaging

1. Our delivery specifications for goods sold by the metre and ESCHA cardboard packaging. A delivery note, which meets the requirements of our delivery specifications for goods sold by the metre and ESCHA cardboard packaging, has to be enclosed with every dispatch of goods. Our order data must be repeated on all shipping documents. Costs which accrue due to not conforming to the above delivery specifications shall be borne by the supplier.
2. If our dispatch specifications are not applicable or enforceable, then the goods to be supplied must be properly packaged and sent. "Properly" here means that the goods are packaged and sent so that external damage is unlikely if they are dispatched and stored normally. A delivery note with our order data must be enclosed with every dispatch of goods. Costs which accrue due to not conforming with the above delivery specifications shall be borne by the supplier.
3. We will only accept the "**DAP / DPU**" condition in accordance with INCOTERMS® 2020 for incoming deliveries to the point of receipt (place of delivery: **Märkische Straße 8a, 58553 Halver, arrival**) we stipulated. Other conditions of delivery have to be approved by us in writing before dispatch. If it has been arranged in writing that in an exceptional case we have to bear the freight costs, then the supplier must choose the mode of transport as well as the carrier stipulated by us, or otherwise the most reasonable mode of transport and delivery.
4. The risk is passed to us only after acceptance by our point of receipt.
5. Packaging is included in the price. If anything to the contrary has been arranged in writing, then the packaging has to be charged at cost price.
6. Part deliveries are only permitted if a special written arrangement has been made.

#### Section 6 Proofs of origin, VAT proofs and export restrictions

1. At regular intervals we will send you our prefabricated long-term supplier declaration in accordance with EC Order No.: (EU) 2015/2447 (UZK) for goods with preferential origin including a list of all articles we have sourced from you (goods) including information on the currently valid customs tariff number and the country of origin. Supplier declarations or long-term supplier declarations created from 1.5.2016 have to be issued in accordance with the implementation regulations (EU)

2015/2447 of the customs code of the Union (UCC). The declarations we sent must be immediately checked for completeness and accuracy of the information. Changes required must be completed in full and passed to us in good time. The long-term supplier declaration which you have to confirm must be sent back to us as an original without a specific request being made and within 14 calendar days along with your legally binding signature, place, date and company stamp.

2. The supplier will provide correctly signed proofs of origin requested by us in this or another way with all required information and make them available without delay. The supplier shall inform us immediately in writing and without a request being made if the information in the proofs of origin for the goods supplied is not longer accurate and make available to us corresponding new proofs of origin. The supplier is also obliged to ascertain corresponding information from their delivery chain and to inform us of this. The supplier is responsible for the accuracy of the information.
3. A corresponding rule governs proofs under VAT law for foreign and inter-Community deliveries.
4. The supplier shall inform us without delay if a delivery is subject in full or in part to export restrictions under German or any other law.

#### Section 7 Prices, payment conditions

1. The prices for deliveries and services are net plus statutory VAT and include packaging, freight, postage and insurance unless a different written agreement has been made. Agreed prices are fixed prices. If the supplier reduces their prices, then they must inform us of these price reductions in writing without delay. The new reduced prices then apply to the parties from the point in time that they come into force. Other administration in this respect requires our prior written approval.
2. For contracts with a term of more than 12 months and unlimited contracts, if there is a significant change to the wage, material or energy costs, then every contractual partner is entitled to request negotiations about a suitable adjustment to the price taking these factors into consideration. If the negotiations do not result in a mutually acceptable adjustment to the contract, then both sides are entitled to terminate the contract.
3. The supplier will not offer us prices which are less favourable than for other buyers if and to the extent that they offer them the same pre-requisites in a specific instance.
4. Surcharges for materials can only be charged to us on the basis of a separate agreement.
5. Payments are only made following the complete receipt of deficiency-free goods and the invoice. This applies accordingly in the case of partial deliveries agreed in writing.
6. Unless a contrary agreement has been made, the payment is made within 14 days of receipt of both the goods and invoice at a 3% discount, or if it is made within 30 days then at the full price. Time delays which come about due to incorrect or incomplete invoices do not impede early payment discounts. If we are entitled to an early payment discount with the supplier, then if they do not arrive together, either the receipt of the delivery or the receipt of the invoice shall determine the beginning of the early-payment period, whichever occurs last.

7. Payments to the supplier do not mean an approval in respect of the conformity of the good supplied.
8. Claims of the supplier to us may only be assigned to third parties if we give our written approval. Rights of offsetting and retention are available to us within the legal scope.
9. If we have taken on the insurance protection, insurance costs of the supplier are not permitted to form part of the purchasing price.
10. If after the conclusion of the contract it becomes event that our delivery is endangered by the inability of the supplier to perform, then we can refuse to pay and specify an appropriate period for the supplier, during which time they must deliver concurrently against payment or pay a security. Upon the refusal of the supplier or if the time period expires without result, then we are entitled to withdraw from the contract and request damages.
11. Our payments are made, unless anything to the contrary is expressly agreed, in euros and via the uniform European SEPA process. Data required for this are made known by the contractor.

#### Section 8 Activity in our business

Persons who are active in our business to fulfil the obligation of the supplier are subject to the provisions of our work regulations and our applicable regulations with respect to accident-prevention, safety-at-work, environmental and other rules. Dangerous substances are only permitted to be used in our business following agreement with our specialist personnel and must be properly marked.

#### Section 9 Warranty, liability for defects

1. We are entitled to full legal warranty rights. In the case of deficiencies which initially are not evident, then it is sufficient if they are reported within ten working days following their discovery by the orderer. If the delivery is a trade for both parties, then Section 9.4 applies.
2. In the case of delivery of faulty goods, then, at our discretion, the supplier is given the opportunity to either correct the fault or provide a replacement delivery. If the supplier cannot carry this out or cannot comply following the request and setting of a deadline, then we are entitled to return the good - the risk and cost of which is borne by the supplier - and obtain supplies elsewhere. The legal regulations on the dispensability of a deadline as well as all legal rights due to deficiencies including recourse claims are unaffected hereby.

If due to the deficient performance, costs accrue - in particular transport, road, labour and material costs - then the contractor must bear these. The contractor is entitled to issue identical debit notes in the case of material defects. If the contractor cannot immediately begin to rectify the deficiency following our request, then the contractor is entitled in urgent cases (e.g. to protect against acute risks, to avoid consequential damage, etc.) to have this carried out at the expense of the supplier themselves or to have third parties carry it out.

Material defects to the ordered goods caused by the contractor must be reworked immediately and corrected or replaced in accordance with the agreed reworking conditions and deadlines at the expense of the contractor.

3. In the case of commission orders, then the contractor must exercise extreme caution and follow our instructions carefully. In the case of uncertainty or doubt, we must be consulted. With the acceptance of a commission order, the contractor confirms that - due to the machinery they have - they are in a position to fulfil the requirements we have requested.
4. If the delivery is a trade for both parties, then Section 377 German Commercial Code applies with the following distinctive features:

The good is considered to have been delivered if for the first time we had the opportunity to examine it in accordance with proper business practice. In the case of doubt, this is the point in time the good is received on our property during normal business hours. The handover to the forwarding company is not sufficient. Complaints are on time if they are made within five working days (of the purchaser), calculated from the point in time of receipt of the goods or the first opportunity to inspect them, or in the case of hidden defects upon their discovery at the supplier's.

Approval is not given if the supplier was not acquainted with the quality deviations due to their own negligence or negligence which can be attributed to them, in the case of normal behaviour but had to assume that we will not accept the deviations.

Deficiencies which could not be determined during a mere visual and identity check are considered to be hidden defects.

5. The supplier guarantees that all deliveries are unencumbered by the rights of third parties, and in particular through the delivery and use of the good no patents or other commercial protective rights are breached in the agreed country of delivery, in the European Union, Switzerland, Turkey and - provided the supplier has been informed - in the intended countries of use. This does not apply to the extent that the supplier has manufactured the good supplied solely in accordance with drawings, models or other similar descriptions or arrangements we have provided and does not know that this has breached protective rights.
6. If the supplier is directly liable by law to the third party, then the supplier indemnifies us from third-party claims arising from any infringements to protective rights and will bear all necessary costs accruing in this regard.
7. We have full rights to receive damages, in particular to damages rather than performance.
8. Our warranty and reimbursement rights are subject by law to a statute of limitations. If the supplier supplies new items within the scope of liability for deficiencies or subsequently delivers individual parts for an item, then the statute of limitations for the new item or the entire improved item - providing the same deficiency continues in the improved item - shall re-commence from the handover of this new item or the individual part. The statute of limitation will not re-commence if it concerns an insignificant deficiency or before the subsequent delivery the supplier made expressly clear that they are not obliged to make the subsequent delivery and that they only provided the replacement as a gesture of goodwill or to resolve a dispute amicably.

## Section 10 Production resources

1. Production resources (samples, models, tools, forms, templates, raw materials, etc.) and documents (samples, drawings, data, etc.) which we make available to the supplier remain our property and must be returned to us unsolicited following the completion of the contract. Processing or remodelling by the supplier only takes place for us.
2. Drawings must not be duplicated. The regulations in sections 11.3 and 11.4 also apply to the confidentiality of drawings.
3. The supplier must provide the production resources and documents with a note that indicates our ownership, and at their expense insure them at replacement value against fire, water and theft. The supplier must prove that corresponding insurance policies have been taken out by presenting corresponding confirmations without this requiring a special request.

The supplier must also store the production resources and documents properly.

4. The supplier shall immediately inform us of any damage to the production resources.
5. The supplier will carry out any maintenance and repair work on the production resources at their expense. We shall bear the costs for renewal of the production resources caused by wear.
6. The processing, remodelling or integration of production resources which we have passed to the supplier shall take place for us.

If this leads to an inseparable mixture with the items of the supplier or a third party, then we become joint owner of the new item in the ratio of the value of our item to the other processed objects at the point in time of processing. If processing, remodelling or integration occurs so that our item is considered to be a significant component of the principal item of the supplier, then we acquire joint ownership to the principal item at a ratio of the value of our item to the other processed objects at the point in time of processing. In both cases the supplier reserves joint ownership for us.

7. The supplier is forbidden from making contact with our client without our approval. If there is already a business relationship between the supplier and the client, then on the part of the supplier there must not be no attempt to make contact or exchange information with the client in respect of the business relationship with us.

## Section 11 Manufacturer liability, protective rights, confidentiality

1. The supplier shall indemnify us against liability for damage which is the fault of the supplier.
2. The supplier must take out and maintain product liability insurance with appropriate cover - though no less than five million per instance of injury or material damage, including additional coverage for



financial losses, call-off costs, trade chain clause as well as for the delivery of trade products. A proof of insurance must be provided annually.

3. The supplier is liable for their delivery and its utilisation by us not infringing any patents or third-party protective rights. The supplier shall be free to prove to us that they are not responsible for the infringement of the rights of third parties. If liability in respect of third parties then affects us, then they shall indemnify us and our customers from all claims from the use of such protective rights and expenses which we necessarily accrue from or in connection with the claim. We are not entitled - without the consent of the supplier - to make any agreements, in particular a comparison. In the case of a trial and on our request, the supplier must make a security payment in the full amount of the damage expected, including trial costs.

Liability of the supplier in respect of us does not apply to the extent that the supplier has manufactured the good supplied solely in accordance with drawings, models or other similar descriptions or arrangements we have provided and does not know that this has breached protective rights.

4. Every contractual partner will use all documents (including samples, models, tools and data) and information they receive from this business relationship only for joint purposes and keep them secret from third parties by taking the same care as they would with their own documents or information if the other partner describes them as confidential or it is obvious that they have an interest in keeping them confidential. This obligation begins upon initial receipt of the documents or information and continues without limit after the business relationship has ended.
5. The obligation on confidentiality does not apply to documents and information which are publicly known or which were already known to the contractual partner upon their receipt without them being bound to keep them confidential, or which were then conveyed by a third party authorised to pass them on, or which are developed by the receiving contractual partner without utilising the confidential information or documents of the other contractual partner.

#### Section 12 Jurisdiction, place of fulfilment

1. German law shall apply exclusively to all legal relationships between the customer and us even if they have their head office abroad - to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. The sole jurisdiction and place of fulfilment for both contractual partners is our company headquarters in Halver.
3. If individual provisions of these general conditions of purchase are or become legally ineffective, the effectiveness of the remaining provisions shall not be thereby affected.
4. Subsidiary or supplementary agreements must be in writing. Suspension of the requirement for the written form must take place in writing.



5. ESCHA refers to its commitment to comply with a code of conduct within the scope of our membership of the German Association for Materials Management, Purchasing and Logistics (BME) which can currently be viewed in the portal: [www.escha.net](http://www.escha.net).
6. The supplier must carry out all deliveries and performance whilst complying with applicable EU standards, German laws, standards and regulations. They shall ensure compliance with these standards. In addition, the supplier is expressly bound to complying with EU orders such as REACH / RoHS/ LABS etc. and meet their requirements.