

1. General

- 1.1 These General Terms and Conditions of Purchase ("Terms and Conditions of Purchase") of VEMAG Maschinenbau GmbH ("VEMAG" or "we/us") apply exclusively to businesses within the meaning of Section 14 *BGB* [German Civil Code] i.e. natural persons or legal entities, also under public law and under special public law funds, which, in respect of the delivery of goods, are acting in the performance of their commercial or independent professional activities (hereinafter referred to as "Supplier").
- 1.2 Our Terms and Conditions of Purchase apply exclusively. We do not recognise any General Terms and Conditions of the Supplier which are contrary to or differ from our Terms and Conditions of Purchase, unless we have expressly approved their validity in writing. Our Terms and Conditions of Purchase shall apply even if we accept or pay for deliveries of products and services of the Supplier (hereinafter also referred to as "Object of the Contract") in the knowledge of terms and conditions of the Supplier which are contrary to or differ from our Terms and Conditions of Purchase. Terms and conditions of the Supplier shall not apply even if we do not separately object in individual cases to their validity. Even if we refer to a letter which contains or makes reference to the Supplier's terms and conditions, this shall not constitute any agreement with the validity of those terms and conditions. This shall apply even if such terms and conditions do not contain any separate provision on individual stipulations of our Terms and Conditions of Purchase.
- 1.3 Our Terms and Conditions of Purchase shall also apply to all deliveries and services by the Supplier to us in the future until our new Terms and Conditions of Purchase apply.

2. Conclusion of contracts and amendments of contracts

- 2.1 Purchase orders, the conclusion of contracts and call-offs for delivery shall require the written form (for amendments/modifications, see paragraph 2.4). The written form, also as far as specified elsewhere in these Terms and Conditions of Purchase, shall also be maintained by transmissions using telefax or email as well as digital/electronic signatures and signatures (e.g. DocuSign). The precedence of the individual agreement (Section 305b *BGB*) shall remain unaffected for individual agreements in any form.
- 2.2 Verbal agreements prior to or when concluding a contract shall only be valid when confirmed in writing by our purchasing department. In addition only purchase orders placed or confirmed in writing by our purchasing department shall be binding.
- 2.3 Cost estimates are binding and shall not be remunerated, unless otherwise expressly agreed.
- 2.4 The Supplier is required, unless otherwise provided by the purchase order, to confirm our purchase order immediately, at the latest within a period of 3 working days (Monday-Saturday, except public holidays at the Supplier's registered office), in writing by email to einkauf@vemag.de (order confirmation). A late acceptance/order confirmation or acceptance/order confirmation deviating from the content of our purchase order shall be deemed a new quotation and shall require written acceptance by us. The Supplier must expressly indicate any deviations to us. A confirmation of our purchase order can also be made by unconditional shipment of the goods. Sentences 1 and 2 of paragraph 2.4 apply accordingly.
- 2.5 If the Supplier submits a quotation based on an enquiry from us, in so doing the Supplier has to adhere exactly to our enquiry and, in the case of deviations, expressly indicate them. Where the Supplier submits a quotation, a binding contract shall be concluded by our express written acceptance/purchase order if the quotation corresponds to a preceding enquiry or we have expressly approved any deviations in the acceptance/purchase order. If the purchase order deviates from the quotation, paragraph 2.4 shall apply.

3. Delivery

- 3.1 Deviations from delivery dates and delivery periods agreed in accordance with these Terms and Conditions of Purchase shall be admissible only after our prior written consent.
- 3.2 Our purchase order number and part identification number must be indicated on all delivery documents (delivery note, consignment notes, shipping documents etc.). In addition, the relevant requirements pursuant to our "Transport and Packaging Regulations for Suppliers" shall apply (see paragraph 5.2 of the Terms and Conditions of Purchase).
- 3.3 Agreed delivery periods and dates are binding. Periods shall run from the date of the purchase order. The goods must be received at the agreed place of delivery - if not agreed, in case of doubt at our registered office - within the delivery period or on the delivery date. If it becomes clear to the Supplier that a delivery period or a delivery date cannot be complied with, irrespective of the causes of the delay, the Supplier must notify us of this in writing immediately, stating the reasons and expected duration of the delay, and obtain our decision concerning

maintenance of the order. Claims due to default in delivery shall remain unaffected by this. This shall apply both in the case that we refrain from the order for reasons of default in delivery and in the case of our consent to a delivery despite lateness.

- 3.4 We shall not be obliged to take receipt of the goods prior to the delivery date. Where delivery is earlier than agreed, we also reserve the right to return the goods at the Supplier's expense or, at our option, to store the goods until the delivery date at the expense and risk of the Supplier.
- 3.5 In the event of default in delivery, the Supplier shall be obliged to pay a contractual penalty of 0.3 % of the respective net order price per calendar day of default in delivery but at most 5 % of the (net) total order price. The right is reserved to assert higher damage, while taking into account the contractual penalty and/or other rights.
- 3.6 Unconditional acceptance of a late delivery or service shall not constitute any waiver of the claims for compensation, to which we are entitled due to the late delivery or service, including the contractual penalty stipulated above.
- 3.7 We shall take delivery only of the quantities or numbers of items ordered by us. Excess deliveries or short deliveries shall only be admissible according to prior arrangements made with us.
- 3.8 Values determined by us during the incoming goods inspection shall be decisive for numbers of items, weights and dimensions, unless otherwise proven.

4. Rights of use

If the Supplier's deliveries or services are protected by copyrights or other industrial property rights of the Supplier, the Supplier shall grant us the irrevocable, transferable right, unlimited in time, location and content, to use the delivery or service at our discretion for all types of use, free of charge, in particular to reproduce, distribute, display, change and process the delivery or service. Apart from the right to use software, which is part of the scope of the product delivery, including its documentation, to the extent permitted by law (Sections 69a *et seq. UrhG* [German Copyright Act]), we shall have the right to use software with the agreed performance features and to the extent required to use the product as provided in the contract. We may also make a backup copy without express agreement.

5. Packaging and transport

- 5.1 The goods must be packed to ensure that transport damage is prevented. Packaging materials shall be used only to the extent required to achieve that purpose. Only environment-friendly, non-toxic, easily recyclable packaging materials may be used. Reusable systems are to be preferred. The Supplier's obligation to take back packaging is governed by statutory provisions.
- 5.2 Our "Transport and Packaging Regulations for Suppliers" shall apply in addition to packaging and transport - in the event of inconsistencies with precedence over these Terms and Conditions of Purchase - which are available in their current version at <https://www.vemag.de/transport-verpackungsvorschrift/> but can also be forwarded free of charge upon request.

6. Pricing and passing of risk

- 6.1 The price shown in our purchase order is binding, taking into account paragraphs 2.4 and 2.5. In the absence of any written agreement to the contrary, the price includes delivery "free domicile" (incl. any customs duties, shipping charges etc.) and packaging. The return of packaging shall require separate agreement. Value added tax is not included in the price, unless expressly indicated.
- 6.2 If no specific agreement has been reached, the risk of accidental loss or deterioration of the goods shall pass to us upon handover at the agreed place of delivery (DDP pursuant to Incoterms 2020) (hereinafter referred to as "Passing of Risk"). If a place of delivery has not been explicitly agreed, our registered office shall be deemed the place of delivery.

7. Invoice and payment terms

- 7.1 The Supplier's invoices shall be issued pursuant to the requirements in our purchase order, must include in particular the purchase order number and part identification number shown there and otherwise comply with the respectively current, relevant statutory requirements. In addition, the relevant requirements pursuant to our "Transport and Packaging Regulations for Suppliers" (see paragraph 5.2 of the Terms and Conditions of Purchase) shall apply. Invoices not properly submitted in accordance with the foregoing provisions shall be deemed received by us only when correct.
- 7.2 Unless otherwise specifically agreed, we shall pay invoices either within 14 days less a 3 % cash discount or within 30 days without deduction as of the due date of the request for payment and receipt of both the invoice, corresponding to the requirements pursuant to paragraph 7.1, and the goods, together with any documents owed, delivery notes (see

paragraph 3.2) etc., at our company. Any payments shall be subject at all times to verification of the invoice.

7.3 We shall be entitled to rights of set-off and retention to the extent permitted by law.

8. Proper performance of the contract, incoming goods inspection

8.1 In the event of defects, we shall be entitled to full legal claims, unless otherwise stipulated in these General Terms and Conditions of Purchase.

8.2 The Supplier warrants in particular that the goods have the agreed quality and satisfy the agreed specifications and quality requirements, all deliveries/services conform to the state of the art and comply with the relevant legal provisions and the regulations and guidelines of authorities, *Berufsgenossenschaften* [institutions for statutory accident insurance and prevention] and trade associations, also with respect to execution, accident prevention and environmental protection. If deviations from these regulations are necessary in individual cases, the Supplier must obtain our written consent on this. Such consent shall not limit the Supplier's liability for defects. If the Supplier has reservations about the nature of the execution requested by us, the Supplier must notify us of this immediately in writing. Further legal requirements of the goods shall remain unaffected by this.

8.3 The warranty period is 36 months as of the Passing of Risk (paragraph 6.2). The period of limitation for parts of the delivery supplied as replacement or repaired within the period of limitation for our claims based on defects shall start to run again as of the date on which the Supplier has fulfilled our claims for supplementary performance in full.

8.4 The Supplier shall also bear the expenses required for the purpose of supplementary performance, in particular transport costs, road charges, labour and material costs. These also include costs for removal and reinstallation. The Supplier shall also bear such costs incurred or increased due to the item being transferred to a place other than the agreed place of delivery.

8.5 The Supplier shall carry out quality assurance, which is appropriate in its nature and scope and always conforms to the state of the art, with corresponding outgoing goods inspection and shall prove this to us in an appropriate form at first request. If requested by us, a corresponding quality assurance agreement shall be concluded with us for this purpose.

8.6 The parties agree that our incoming goods inspection pursuant to Section 377 HGB [German Commercial Code], if relevant to the respective contract, shall be limited to externally identifiable damage, especially transport damage, and deviations in quantity. In this respect, a period for giving notice of defects of 14 days as of delivery of the goods concerned shall apply.

9. Property rights

9.1 The Supplier warrants that all deliveries are free of third-party property rights and in particular that the delivery and use of the delivery items do not infringe patents, licences or other property rights of third parties.

9.2 The Supplier shall indemnify us and our customers against third-party claims from any infringement of property rights and shall also bear all costs necessarily incurred by us in this connection.

9.3 We are entitled, at the Supplier's expense, to obtain approval from the authorised party to use the delivery items and services concerned.

10. Liability of the Supplier, indemnification

10.1 The Supplier shall be liable without limitation according to statutory provisions, especially for the Supplier's own culpable breach of duty and culpable breach of duty by the Supplier's legal representatives or vicarious agents.

10.2 The Supplier shall be obliged to indemnify us against damage claims which third parties assert against us due to defects in the delivery or other breach of duty by the Supplier, unless the Supplier is not responsible for them. In the event of defects of title, the Supplier shall furthermore indemnify us against third-party claims in this respect, including the customary costs of legal defence in accordance with statutory provisions and our administrative costs. If the Supplier has produced its delivery or service according to documents provided by us or at our express instruction and could not have known that this would infringe third-party property rights, the foregoing obligation to indemnify shall not apply. Further claims shall remain unaffected.

10.3 If a claim is asserted against us for violation of official safety regulations or by reason of domestic or foreign product liability regulations or laws because of a defectiveness of our product, which is attributable to the Supplier's goods, we shall be entitled to claim compensation for this damage from the Supplier if this was caused by the products delivered by the Supplier. Such damage shall also include the costs of a precautionary product recall. We shall inform the Supplier, where possible and reasonable, about the content and scope of recall measures to be implemented (including product warnings etc.) and give the Supplier the opportunity to comment. Further statutory claims on our part shall remain unaffected.

11. Insurance

The Supplier is obliged, unless otherwise agreed in the individual case, to maintain a product liability insurance with a sum insured of at least € 10 million per case of damage - lump sum - for the duration of the warranty periods and any guarantee periods applicable to the respectively supplied products and provide proof of this in an appropriate form at our first request. The amount of our damage claims shall not be limited by the sum insured of the liability insurer.

12. Quality, documentation and spare parts

12.1 The Supplier shall continuously verify the quality of the delivery item. The Supplier shall notify us immediately of possible improvements. The Supplier shall inform us immediately in writing of any evident errors in specifications and foreseeable complications.

12.2 If minimum and/or maximum values of parameters are specified in a purchase order, the specified maximum values may not, unless otherwise agreed in writing, be exceeded in any area of the delivery item or product. Values may not fall below the specified minimum values in any case and at any point. This shall be assured and documented by suitable test and measurement procedures. We shall be entitled to require the disclosure of the results of such verification in writing at any time and without additional costs.

12.3 Product-specific and/or technical documentation, certificates of conformity and other documents, certificates and operating instructions required for the Object of the Contract or its use, at our option in German or English, and the marking of the parts and product and/or its packaging required by law shall be included in the scope of delivery without special charges. Unless otherwise agreed, the above-mentioned documents are to be forwarded to the email address doku@vemag.de, whereby our respective purchase order number must always be specified in the reference.

12.4 The Supplier shall ensure that the delivery items can be traced exactly through batches.

12.5 The Supplier is obliged to hold available spare parts for the products supplied to us for a period of at least ten (10) years after the delivery.

12.6 If the Supplier intends to discontinue the production of spare parts for the products supplied to us, this shall be possible before expiry of the period pursuant to paragraph 12.5 only for good cause, for instance where any necessary parts can no longer be obtained on the market. The Supplier must inform us of this in writing with notice sufficient to take necessary precautionary measures and coordinate any alternatives with the Supplier or third parties. Unless unreasonable in the individual case, which is to be demonstrated by the Supplier, the Supplier shall in this respect observe a discontinuation period of 1 year for electrical components, and of 5 years for mechanical components. Furthermore, the Supplier shall grant us in such cases in due time the possibility of a purchase order sufficient to bridge a minimum period to be determined by us (Last Time Buy). If a discontinuation occurs prior to the period stipulated in paragraph 12.5, damage claims on our part shall remain unaffected by this notification (even) where above-mentioned periods are met.

13. Provision of materials, property, tools

13.1 Parts, substances, containers etc. provided by us (hereinafter referred to collectively as "Parts Provided") shall remain our property. They may only be used for their intended purpose. Parts Provided shall be processed or transformed for us. It is understood that we are co-owner of the products manufactured using the Parts Provided, which in this respect shall be held in safekeeping by the Supplier free of charge for us, in the ratio of the value of the Parts Provided to the value of the product as a whole.

13.2 Tools made available by us to the Supplier (hereinafter referred to as "VEMAG Tools") shall remain our property. The Supplier is only authorised to use the VEMAG Tools for the manufacture of the goods ordered by us, to hold them otherwise properly and securely in safekeeping free of charge and, after the order has been performed, to return them to us without being requested to do so and at the Supplier's own expense. The Supplier shall insure the VEMAG Tools against damage caused by fire, water and theft at their replacement value at the Supplier's own expense for the period of use in accordance with the foregoing. In the event that such damage occurs, the Supplier already now assigns the Supplier's claims against the insurance to us. The assignment is already accepted now. The Supplier shall be directly liable to us for all resulting damage to VEMAG, unless the Supplier is not responsible for this. The Supplier is also obliged to carry out necessary servicing and inspection work as well as all maintenance and repair work on the tools in due time at the Supplier's expense. The Supplier must notify us of any malfunctions immediately in writing.

14. Rights to retention of title

We can use and/or resell the delivered goods without any limitation in the ordinary course of business. Prolonged or extended rights of retention of title of the Supplier are also excluded in other respects.

15. Execution of work

If the Supplier's employees or other persons commissioned by the Supplier perform work at our business premises with our consent in performance of the contract, the Supplier must ensure that in this context all relevant provisions of our guideline for external companies, which is available in its current version at <https://www.vemag.de/fremdfirmenrichtlinie/> (but can also be forwarded free of charge upon request) and applies in addition – in the event of inconsistencies with precedence – to these Terms and Conditions of Purchase, occupational health and safety requirements etc. are observed.

16. Confidentiality and documents

16.1 The Supplier undertakes to keep confidential such facts, documents and knowledge, which come to the attention of the Supplier in the course of performing the business relations with ourselves and contain technical, financial, business, product-related or market-related information about our company, our product or our customers, especially calculation data, manufacturing specifications, internal production information and data, of whatever kind, including development or manufacturing features etc., if we have designated the respective information as subject to confidentiality or there is an obvious interest in its confidentiality (hereinafter referred to collectively as "Confidential Information"). The Supplier shall use the Confidential Information solely for the purpose of the implementation and performance of the contractual relationship with ourselves as provided in the contract.

16.2 Disclosure of Confidential Information to third parties by the Supplier is prohibited, unless we have expressly agreed to this in writing in advance.

16.3 There shall be no obligation to maintain confidentiality pursuant to paragraph 16.1 above if it is proved that the respective Confidential Information:

- a) is state of the art in the public domain or this information becomes state of the art without any action by the Supplier; or
- b) was already known to the Supplier or is made known by a third party authorised to disclose it; or
- c) is developed by the Supplier without any action by ourselves and without exploitation of other information or knowledge acquired through the contractual contact; or
- d) must be disclosed due to mandatory statutory provisions or court or administrative orders.

16.4 The Supplier is obliged to pay us an appropriate contractual penalty of up to € 100,000.00 for each case of culpable contravention of the obligation of confidentiality arising from the foregoing paragraphs without specific proof of damage. The appropriateness shall be determined by us at our reasonably exercised discretion within the above-mentioned framework, whereby the Supplier can have the appropriateness verified by the competent court. The assertion of further damage claims or other claims by us, in particular claims to cease and desist, shall remain unaffected. The right is reserved for the Supplier to prove that lower damage or no damage at all has occurred. The contractual penalty shall be offset against any further damage claim.

16.5 The Parties shall be free to agree provisions in writing which are different from and/or supplementary to the above provisions within the scope of a separately concluded non-disclosure agreement. In the event of conflicting provisions, the non-disclosure agreement shall take precedence over these Terms and Conditions of Purchase.

16.6 Documents, data storage devices and other embodiment of Confidential Information transmitted by us to the Supplier for the performance of the contractual services shall remain our property and are to be returned to us by the Supplier at the latest after implementation of the contractual services or destroyed at our option.

17. Use of third parties and MiLoG [German Minimum Wage Act]

17.1 The use of third parties for performance of the contract, especially in the production, by the Supplier (hereinafter referred to collectively as "Subcontractors") shall require prior written consent by us, which we cannot, however, refuse without objective reason. An objective reason exists in particular if the Subcontractor

- (a) does not guarantee proper performance of the contractual services pursuant to all provisions agreed between ourselves and the Supplier for this and all relevant legal requirements;
- (b) is not sufficiently qualified;
- (c) does not have the experience, certificates, authorisations etc. required to perform the services owed; or
- (d) has already in earlier business relations contravened safety regulations, quality specifications, statutory provisions or other requirements of ourselves or one of our customers, violated other contractual obligations, in particular has not performed in accordance with contractual requirements or has otherwise shown a lack of reliability;

or there are other justified indications that the Subcontractor does not have the required qualifications and/or reliability or does not appear suitable for other reasons to perform properly the tasks which are intended to be assigned to the Subcontractor.

17.2 Before commissioning the respective Subcontractor, the Supplier must notify the Subcontractor's full company name and registered office to us in due time and in writing. Furthermore, before using the respective Subcontractor, the Supplier must notify us in writing concerning the nature and scope of the services to be performed by the Subcontractor. We shall be entitled at any time to require proof concerning the intended Subcontractor's specialised knowledge, performance capability and reliability and compliance with statutory provisions.

17.3 The Supplier shall ensure that its Subcontractors fulfil all obligations under these Terms and Conditions of Purchase, the purchase order as well as all other provisions applicable between ourselves and the Supplier, if relevant to the services to be provided by the Subcontractor, and comply with all statutory obligations and duties (e.g. the *MiLoG*) existing for the Subcontractor's services and the employees used in this context. If a claim is asserted against us by the authorities due to failure by the Subcontractor to comply with statutory provisions (e.g. the *MiLoG*), the Supplier shall indemnify us against all damages.

17.4 The Supplier shall be liable to us for Subcontractors used by the Supplier to the same extent as for own fault (Section 278 *BGB*).

17.5 The Supplier is obliged to employ its employees - especially if they are called upon to fulfil the contractual obligation towards ourselves - in accordance with the respectively valid provisions of the *MiLoG*, to pay them in particular the minimum remuneration provided for in the *MiLoG*. Upon request, the Supplier shall provide us with proof of this in an appropriate form. Should the Supplier use a third party to perform its contractual obligations towards ourselves in accordance with these Terms and Conditions of Purchase, the Supplier shall be obliged to bind such third party likewise to comply with the provisions of the *MiLoG* together with the corresponding obligation to provide proof, to monitor this and also to prove this to us in an appropriate form upon request.

18. REACH / RoHS

18.1 The Supplier is obliged to comply in all deliveries to us with the specifications and requirements resulting from the EU Chemicals Regulation REACH (Regulation EC No 1907/2006 of 30.12.2006) as amended (hereinafter referred to as "REACH Regulation"), in particular the relevant substances must have been registered. We are not obliged to obtain authorisation under the REACH Regulation for goods delivered by the Supplier.

18.2 The Supplier warrants in particular that it does not supply any products which contain substances pursuant to

- Appendix 1 to 9 of the REACH Regulation as amended;
- EU Council Decision 2006/507/EC of 14.10.2004 (Stockholm Convention on Persistent Organic Pollutants) as amended;
- Regulation (EC) No 1005/2009 on substances that deplete the ozone layer as amended;
- RoHS (2011/65/EU Restriction of Hazardous Substances) for products pursuant to its scope of application.

If, in the Supplier's view, there are doubts in this respect, the Supplier must notify us of this in advance immediately in writing.

18.3 If the goods supplied contain substances which are listed on the so-called "Candidate List of Substances of Very High Concern" ("SVHC List") pursuant to REACH, the Supplier shall be obliged to inform us of this in advance immediately in writing and provide us with all information required by law. This shall also apply if, in the case of current deliveries, substances hitherto not listed are included on that list. The respectively current status of the list is decisive. Sentence 2 of paragraph 18.2 above shall apply accordingly.

19. Export control

The Supplier is aware that the export of certain goods may be subject to an authorisation requirement e.g. because of their nature or their intended purpose or final destination. This applies in particular to so-called dual-use goods. The Supplier is obliged to comply strictly with the relevant export regulations and embargos for these products (deliveries or services, goods, software, technology), especially of the European Union (EU), Germany respectively other EU Member States and, if applicable, the USA, to inform us in writing of any prohibitions relevant to the delivery in due time prior to delivery and to indemnify us against any third-party claims resulting from a culpable violation of the above-mentioned requirements.

20. General provisions

20.1 Unless otherwise specified, place of performance for deliveries and payments is our registered office.

20.2 Any disputes between ourselves and the Supplier arising from and in connection with the contract shall be settled exclusively before a competent court of law at the location of our registered office. We shall have the right at our option to bring an action against the Supplier at the Supplier's place of general jurisdiction as well.

At our option, alternatively to the above paragraph, a final decision on all disputes arising from and in connection with the contract shall be

made without recourse to ordinary courts of law according to the Arbitration Rules of the *Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS)* [German Institution of Arbitration]. The place of arbitration proceedings is Bremen, Germany. The language of the arbitration proceedings is German. The arbitration tribunal shall consist of a sole arbitrator. For the avoidance of doubt, it is stipulated that the national courts remain competent for measures ordered by way of interim relief. In this respect, the rule on the place of jurisdiction pursuant to sentence 1 and 2 of paragraph 20.2 shall apply.

In the case of litigation as defendant, i.e. legal actions of the Supplier directed against us, we must exercise the option pursuant to the above paragraph upon the Supplier's written pre-litigation request immediately, at the latest within 2 weeks, in writing vis-à-vis the Supplier. If the option is not exercised or not in due time in accordance with the above provisions, the rule on the place of jurisdiction pursuant to sentence 1 and 2 of paragraph 20.2 shall apply, to the exclusion of the arbitration plea pursuant to Section 1032 ZPO [German Code of Civil Procedure].

20.3 The law of the Federal Republic of Germany shall apply, to the exclusion of the UN Sales Convention (CISG).

20.4 Amendments to and modifications of the contract, including these Terms and Conditions of Purchase, shall only be valid when given in writing. This shall also apply to this requirement of written form. The precedence of the individual agreement pursuant to Section 305b BGB shall remain unaffected by this.

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