

GENERAL TERMS AND CONDITIONS OF BUSINESS

[Conditions of sale and delivery]

I. SCOPE

These terms and conditions of sale apply to every (supply) framework agreement (hereinafter “contract”) and all individual contracts and/or orders within the framework of a contract (hereinafter “individual contract”) with entrepreneurs, legal entities under public law and special funds under public law (hereinafter “partner”)

Our deliveries and services are carried out exclusively on the basis of these sales conditions. They also apply to all future orders and contractual relationships between the partner and us.

The partner's terms and conditions that are not expressly recognized by us are not valid.

II. GENERAL PROVISIONS

1. Oral agreements will be confirmed immediately in detail in writing by the contractual partners.
2. Orders only become binding with our order confirmation.
3. We are also entitled to reject those delivery call-offs and orders from the partner that are placed on the basis of contracts and to refuse to fulfill existing contracts and individual contracts and to extend them if it becomes apparent that our claim for payment is jeopardized by the partner's inability to perform.
This is particularly the case if the partner's creditworthiness is rated as “high risk” (rating 7) or worse by Euler Hermes.

III. LONG-TERM AND CALL-OFF CONTRACTS, PRICE ADJUSTMENTS

1. Indefinite contracts can be terminated with a notice period of 6 months.
2. In the case of long-term contracts (contracts with a term of more than 12 months and indefinite contracts), a significant change in the costs of wages, materials or energy entitles either party to demand a reasonable price adaptation taking these factors into account. Parts made from listed materials are re-calculated for each order based on the respective basic metal price, which can be subject to fluctuations.
3. If a binding order quantity has not been agreed, we calculate our prices on the basis of the non-binding order volume (target volume) to be expected from the purchaser over a certain period. If the partner purchases less than the target volume, we are entitled to increase piece prices accordingly.
4. Unless agreed otherwise for call-off delivery contracts, binding quantities shall be communicated to us by call-off at least 2 months before the delivery date. Additional costs caused by delayed call-offs or by subsequent changes to a call-off concerning date or quantity made by our purchaser are borne by the purchaser; our calculation is decisive in this context.

IV. CONFIDENTIALITY

1. Both parties shall use all documents (which includes samples, models, and data) and knowledge which they receive in the course of the business relationship only for jointly pursued purpose. They shall keep such secret from third parties with the same care that they would take with their own documents and knowledge, if the other party has designated these as confidential or has an obvious interest in keeping them secret. This obligation starts from first-time receipt of the documents or knowledge and ends 36 months after the end of the business relationship.
2. The obligation of confidentiality does not apply to generally known documents or knowledge, nor to such already known to the party without this party being obliged to confidentiality, nor to such disclosed by a third party with the right to do so, nor to such

processed by the receiving party without exploitation of the other party's confidential documents or knowledge.

V. DRAWINGS AND DESCRIPTIONS

If one party provides the other party with drawings or technical documents concerning the goods to be supplied or manufactured, these documents remain the property of the submitting party.

VI. SAMPLES AND MEANS OF PRODUCTION

1. Unless otherwise agreed, the production costs for samples and production materials (tools, molds, patterns etc.) shall be invoiced separately from the goods to be supplied. This also applies production equipment which needs to be replaced due to wear and tear. As a general rule, only proportionate costs are charged for tools and equipment. The tools are thus the property of the purchaser. The difference to the full costs becomes due only if the purchaser exercises its rights of ownership and wishes to withdraw the tools or if it fails to take up the volume that could be expected from its inquiry.
2. We bears the costs of maintenance for the means of production, their proper retention and the risk of damage or destruction. The costs of extended changes and replacements after their overall life expectancy has expired are borne by the purchaser.
3. If the purchaser postpones or ends the collaboration with us during the time that samples or means of production are being produced, all the manufacturing costs incurred up to that date are borne by the purchaser.
4. The means of production remain in our possession, even if these have been paid for by the purchaser, at least until the delivery contract has been processed. The purchaser is then entitled to demand that we handover the means of production, provided the timing of the handover has been mutually agreed and the purchaser has fulfilled its contractual obligations to the full extent.
5. We shall retain the means of production at no charge for three years after we have made the last delivery to the purchaser. We shall then request in writing that our purchaser declares - within a deadline of 6 weeks - what is to be done with them. Our duty of retention ends if we do not receive an appropriate declaration within these 6 weeks or if a new order is not issued.
6. We may not use means of production related to the buyer for deliveries to third parties unless we have obtained written approval from our purchaser in advance.

VII. PRICES

Our prices are in EURO exclusive of sales tax, packaging, freight, postage, and insurance.

VIII. PAYMENT TERMS

1. All invoices are due for payment within 30 days of the invoice date without any discount.
2. If some of the items we have delivered are indisputably defective, our purchaser is still obliged to pay for the faultless articles, unless the partial delivery is of no interest to him. Otherwise, the partner can only offset counterclaims that have been legally established or are undisputed.
3. If the buyer fails to make any payment when it is due, we are entitled to charge default interest at the rate that the bank charges us for current account credit, but at least the statutory default interest and the flat-rate fee in accordance with Section 288 Paragraph 2 and 5 of the German Civil Code (BGB).
4. In case of late payment, we can, after informing the purchaser in writing, postpone fulfilment of our obligations until payment has been received.
5. Bills of exchange and cheques are accepted only by agreement, and then only to facilitate fulfilment and under the proviso of their discountability. Discount fees are charged beginning

with the due date of the invoice sum. No warranty is given for on-time presentation of bill of exchanges or cheques, entering bill protests is excluded.

6. If, after conclusion of contract, it seems likely that our claim to payment is endangered by the purchaser's inability to pay, we can refuse performance and set a reasonable period of grace for the purchaser, in which it must pay contemporaneously for each delivery or furnish appropriate securities. If the purchaser refuses or the period of grace expires fruitlessly, we are entitled to withdraw from the contract and to demand recompense.

IX. DELIVERY

1. Unless otherwise agreed, we deliver "ex-works". Our announcement of readiness to dispatch or for the goods to be collected is decisive for compliance with the delivery date or deadline.
2. The delivery period begins when we send our confirmation of order and is extended accordingly in case of force majeure, operational disturbances, shortages of raw materials or energy, breakages of machines or tools, strikes etc..
3. Partial deliveries are admissible to a reasonable extent. They shall be invoiced individually.
4. Excess or short deliveries due to reasons of production are admissible within a tolerance of 10 per cent of the total order volume. The total price is amended accordingly in the scope of such.
5. Packaging is charged at cost price. It is not taken back as a matter of principle.

X. SHIPPING AND TRANSFER OF RISK

1. Goods reported ready for shipment shall be taken up by the purchaser without delay. Otherwise, we are entitled to dispatch these at our own discretion or to store them at the purchaser's expense and risk.
2. In the absence of a special agreement, we select the means of the transport and the route.
3. Risk is transferred to the purchaser upon handover to the carrier, the railway or freight forwarder, or at the date the goods are put into storage, but at the latest when they leave the factory or the stores, even if we have taken over their delivery.

XI. DELAY IN DELIVERY

1. If delivery is delayed due to force majeure or due to an act or omission of the partner, such as the late transmission of necessary information or documents, an extension of the delivery period appropriate to the circumstances will be granted.
2. The purchaser is not entitled to withdraw from the contract unless we are responsible for missing the delivery deadline and he has unsuccessfully set a reasonable grace period.

XII. RETENTION OF TITLE

1. We reserve the title to the delivered goods until all our claims arising from the business relationship with the purchaser have been fulfilled. Both simple and extended reservation of title is agreed.
2. The purchaser is entitled to re-sell the goods in regular business transactions, as long as it fulfils its obligations from the business relationship with us in good time. However, the purchaser may neither pledge nor assign the goods as collateral security. It is obliged to secure our rights if it resells the reserved goods on credit.
3. If the purchaser is culpable of infringing a duty, in particular in case of default of payment, we shall set a reasonable period of grace for the purchaser to fulfil its obligations. Once this has expired fruitlessly, we are entitled to withdraw from the contract and take back the goods; the legal provisions on the dispensability of setting a period of grace remain unaffected. The purchaser is obliged to hand the goods over to us.

4. We are entitled to withdraw from the contract if an application is made to open insolvency proceedings against the purchaser's assets.
5. The purchaser even now assigns to us as security all claims and rights from the sale or from any leasing of goods granted to the purchaser from which we accrue rights of ownership. We accept the assignment.
6. The purchaser always reprocesses the reserved goods on our behalf. If the reserved goods are processed or inseparably mixed with other objects not belonging to us, we acquire co-ownership to the new item in the ratio of the invoice value of the reserved goods to that of the other processed or mixed objects at the time of processing or mixing. If our goods are combined or inseparably mixed with other movable objects to make a uniform item, and if the other item is to be regarded as the main item, the purchaser shall transfer proportionate co-ownership to us, insofar as it owns the main item. The purchaser shall safeguard ownership or co-ownership on our behalf. In addition, the same conditions apply to the item created by processing or combining/mixing as to reserved goods.
7. The purchaser shall inform us without delay of any third party seizure actions initiated against the reserved goods or against claims or other securities assigned to us. It shall submit the documents required to defend our interests. The same applies to inhibitions of any other nature.
8. If the value of existing securities exceeds the total claims to be secured by more than 20 per cent, then at the purchaser's request, we shall release securities at our discretion.

XIII. MATERIAL DEFECTS

1. The quality of the goods is determined solely by the agreed technical delivery specifications. If we are to deliver goods made to our purchaser's drawings, specifications, samples etc., the purchaser bears the risk of their suitability for the intended purpose of use. The date that risk is transferred in accordance with Item X. 3 is decisive for the state of the goods conform to contract.
2. When making our deliveries, we comply with the applicable legal regulations of the European Union (EU) and the Federal Republic of Germany. This applies, for example - to the extent relevant - to the REACH Regulation (Regulation EC No. 1907/2006), the Electrical and Electronic Equipment Act (ElektroG), the Electrical and Electronic Equipment Substances Ordinance (ElektroStoffV) and the End-of-Life Vehicle Ordinance (AltfahrzeugV) as German implementations of the EU Directives 2011/65/EU (ROHS 2), 2012/19/EU (WEEE Directive), and the EU Directive 2000/53/EC.
We will inform the partner about relevant changes to the goods (particularly those caused by the REACH regulation), their availability, possible uses or quality, and coordinate suitable measures with the partner in individual cases.
3. We are not responsible for material defects caused by unsuitable or improper use, incorrect assembly or commissioning by the partner or third parties, normal wear and tear, incorrect or negligent handling, nor for the consequences of improper changes or repair work carried out ,without our consent, by the partner or a third party. The same applies to defects that reduce the value or suitability of the goods only insignificantly.
4. Complaints concerning quantities or the quality or accuracy of the goods must be lodged in writing at the latest within 14 days of their receipt. The right of complaint is excluded if the purchaser has already reprocessed the goods delivered by us.
Our warranty is also excluded if the purchaser processes the parts, e.g. by electroplating, painting or varnishing, pickling etc.
5. Claims for material defects expire by limitation of time in 12 months. This does not apply if longer periods are regulated by overriding laws.
6. If acceptance of the goods or first article inspection has been agreed, complaints of defects which the purchaser should have been able to establish, given careful acceptance or first article inspection, are excluded.

7. We must be granted the opportunity to verify defects complained of. On request, goods subject to complaint shall be returned to us without delay. If the purchaser fails to comply with these obligations or makes changes to goods already complained of without our approval, it forfeits any claims accruing from material defects.
8. In case of justified complaints lodged on time, we shall rework the defective goods or make a replacement delivery at our discretion.
All further claims are excluded, in particular claims to damages of any kind, even if an assured characteristic is missing.
9. Our production is governed solely by the regulations concerning input material, form and strength. The resulting forces are beyond our control and warranty. Such regulations are invalid for us. Test regulations concerning certain lift or vibration figures, a certain useful service life or behaviour under certain conditions are likewise invalid for us.
10. As all narrow coils are cut from wide coils of up to 153 mm, their tolerance dimensions also apply.

XIV. OTHER CLAIMS, LIABILITY

1. Unless regulated otherwise below, all other, further-going claims on the part of the purchaser against us are excluded, even if an assured characteristic is missing. This applies in particular to claims for damages due to the infringement of duties under the obligatory relationship and due to illicit acts. We are therefore not liable for damages which are not incurred to the delivered goods themselves. Above all, we are not liable for foregone profit or other asset losses suffered by the purchaser. It is expressly agreed that the purchaser shall release us from all producer liability.
2. The above limitations of liability do not apply in the event of intent, gross negligence on the part of our legal representatives or senior employees, or culpable violation of essential contractual obligations, i.e. those obligations whose fulfillment makes the proper execution of the contract possible in the first place and on whose compliance the contractual partner regularly relies and may rely. In the event of a culpable violation of essential contractual obligations, we are liable - except in cases of intent or gross negligence on the part of our legal representatives or senior employees - only for damages typical of the contract and reasonably foreseeable.
3. The limitation of liability also does not apply in cases in which, according to the Product Liability Act, liability is assumed for personal injury or property damage to privately used items in the event of defects in the goods delivered. It also does not apply in the event of injury to life, body or health and in the absence of guaranteed properties, if and to the extent that the guarantee was intended to protect the partner against damage that did not arise from the delivered goods themselves.
Finally, the limitation of liability does not apply if we have concluded a purchase contract with the partner and are obliged to reimburse the expenses necessary for the purpose of supplementary performance in accordance with Section 439 Paragraph 3 of the German Civil Code (BGB).
4. To the extent that our liability is excluded or limited, this also applies to the personal liability of our employees, collaborators, legal representatives and vicarious agents.
5. The legal regulations regarding the burden of proof remain unaffected by this.

XV. FORCE MAJEURE

Force majeure, labor disputes, riots, armed conflicts, terrorist attacks, official measures, failure to deliver from our suppliers, epidemics, and other unforeseeable, unavoidable and serious events release the contractual partners from their performance obligations for the duration of the disruption and to the extent of its effect. This also applies if these events occur at a time when the affected contractual partner is in delay, unless the delay was caused intentionally or through gross negligence. The contractual partners are obliged,

within reason, to provide the necessary information immediately and to adapt their obligations to the changed circumstances in good faith.

XVI. PLACE OF FULFILMENT AND JURISDICTION, APPLICABLE LAW

1. Unless otherwise regulated by the order confirmation, the place of fulfilment is our registered headquarters.
2. Our registered headquarters is the place of jurisdiction for all legal disputes, including those involving bills of exchange and cheques. We are also entitled to take action at the registered headquarters of the purchaser.
3. German law applies exclusively over the contractual relationship. Application of the United Nations Convention on Contracts for the International Sales of Goods of 11th April 1980 (CISG – Vienna Sales Convention") is excluded.

XVII. BINDING NATURE OF THE CONTRACT

Should individual parts of these general terms and conditions/conditions of sale be or become wholly or partially ineffective, the effectiveness of the remaining provisions will not be affected.

Emil Hembeck GmbH & Co. KG
58509 Lüdenscheid
Germany

Date: February 7, 2024