

General Terms and Conditions of Purchase

of

**KRAMSKI GmbH
Heilbronner Straße 10
75179 Pforzheim**

1. Scope

- 1.1. Our **General Terms and Conditions of Purchase** shall apply exclusively. Insofar as there are any gaps in these terms and conditions, the provisions of law shall apply. We do not recognize conditions of the supplier that differ from our **General Terms and Conditions of Purchase** or from the provisions of law to our disadvantage unless expressly agreed to in writing. Our **General Terms and Conditions of Purchase** shall apply also when we accept deliveries or services from the supplier unconditionally in knowledge of conflicting or differing conditions of the supplier.
- 1.2. Our **General Terms and Conditions of Purchase** shall apply only for entrepreneurs, legal entities under public law or special funds under public law within the meaning of Art. 310 (1) of the German Civil Code (BGB).

2. Conclusion of contract, subject matter of the contract

- 2.1. If the supplier does not accept our order within one week from its receipt we have the right to withdraw from our order without charge to us.
- 2.2. In addition to our **General Terms and Conditions of Purchase**, our order instructions shall be an integral part of the contract; i.e. all product specifications referenced by us within the scope of our order or contained in the documents attached to our orders, in particular our functional requirements specifications, as well as technical documentation such as drawings, building regulations or design specifications, material instructions, etc.
- 2.3. Our order instructions must be strictly adhered to; deviations shall be allowed only
- 2.4. with our written consent.
- 2.5. The supplier undertakes to review our order instructions (product specifications) for accuracy with regard to their use for the supplier's own delivery or performance. Any objections must be reported to us in writing without delay.
- 2.6. The supplier shall only be permitted to pass on our order to any third parties or to involve subcontractors with our written consent. In case of an infringement, we can – without prejudice to any other rights laid down by law – withdraw from the contract.
- 2.7. Liability for damages in accordance with Sec. 122 of the German Civil Code (BGB) shall require fault on our part.

3. Rights to the contract documents and means of production provided by us, insurance, confidentiality

- 3.1. Documents and means of production of any kind or nature that we have provided to our supplier within the scope of our orders and instructions, such as, for example
 - illustrations, calculations, drawings, drafts, manufacturing specifications, and the like,
 - models, samples and prototypes, materials and parts provided,
 - tools, software shall remain our property (goods under retention)
- 3.2. The processing or restructuring of materials or parts provided by us by the supplier shall be performed for us. If our goods under retention are processed with other objects not belonging to us, we shall acquire co-ownership of the new item (contractual product) in the proportion of the value of our goods under retention (purchase price plus value-added tax) to the other processed objects at the time of processing or restructuring.

If the parts or materials provided by us are inseparably mixed or combined with other objects not belonging to us, we shall acquire co-ownership of the new item in the proportion of the value of our goods under retention (purchase price plus value-added tax) to the other mixed or combined objects at the time of mixing or combining. If the mixing or combining is performed in such a way that the item from the supplier is to be considered as the principal item, it shall be agreed that the supplier assigns to us co-ownership on a pro rata basis. Insofar as the security interests to which we are entitled in accordance with item 3.2 hereof exceed the purchase price of all our as yet unpaid goods under retention by more than 10%, we shall be obligated, upon request by the supplier, to release security at our discretion.

- 3.3. Prior to processing, materials and parts provided by us must be stored properly, appropriately and separately as our property. In particular, it shall be agreed between our supplier and us that our supplier shall ensure appropriate care and safekeeping, free of charge, of the goods in our sole or joint ownership.
- 3.4. We shall continue to be entitled to our previous rights relating to our goods under retention within the meaning of item 3.1 hereof, including but not limited to any copyrights, rights of exploitation or industrial property rights, unless such rights have been granted to the supplier in order to achieve the purpose of the contract.

The supplier shall ensure that we are entitled to the rights of use and exploitation of the contractual products belonging to us in accordance with item 3.2 hereof that are necessary to achieve the contractual purpose.
- 3.5. The supplier undertakes to insure the production materials belonging to us at the supplier's expense for their replacement value against loss and damage due to fire, water and theft. At the same time, the supplier shall hereby assign to us all and any compensation claims arising out of such insurance, and we herewith accept this assignment.
- 3.6. The supplier undertakes to perform any necessary service and inspection work, as well as all maintenance and repair, on our tools promptly, at the supplier's own expense. The supplier must notify us immediately of any problems; if the supplier culpably fails to do so, the supplier shall be liable for all resulting damage incurred by us.
- 3.7. Production documents and materials belonging to us in accordance with item 3.1 hereof must not – except for agreed or contractual purposes – be used, reproduced, passed on, sold, pledged or made available to any third party; in particular, it is prohibited to use them in order to manufacture any products for any third party.
- 3.8. Production documents and materials belonging to us in accordance with item 3.1 hereof must be kept confidential. They may only be disclosed to any third party with our express approval. The provisions as per item 15 hereof (duty of confidentiality, prohibition of use) shall apply accordingly.
- 3.9. If it is certain that an order will not be awarded or if the order has been completed, the production documents and materials belonging to us must promptly, at our discretion, be either
 - returned to us in perfect condition without retaining any copies, individual pieces etc.
 - or destroyed or altered in such a way that they can no longer be used for the manufacture of the contractual products.

The destruction or alteration must be proven to us at our request. The same shall apply to any semi-finished and finished products produced for us in accordance with or by using our production materials or specially produced for us that are remaining at the end of the contract; in particular, they must not be delivered to any third party even if defective parts returned by us are involved. Our supplier cannot assert a right of retention with respect to our rights as per item 3.9 hereof.

4. Prices, terms of payment

- 4.1. The price stated in our order shall be binding.
Price increase reservations shall require our explicit written agreement.
Unless otherwise agreed, the prices shall be DAP at the specified destination (Incoterms 2020), including packaging and other costs.
- 4.2. The invoice must not be enclosed with the deliveries.
Furthermore, we can only process invoices in due time if these indicate - in correspondence with the instructions in our order - the **material and order numbers** stated therein; the supplier shall be responsible for all and any consequences resulting from failure to comply with this obligation.
The sales tax must be shown separately in the invoices.
For goods produced outside the Federal Republic of Germany, a certificate of origin and/or an appropriate supplier declaration must be submitted at the latest together with the invoice.
- 4.3. Unless otherwise agreed in writing, we pay the invoices within 30 days, calculated from the date of receipt of the delivery and receipt of invoice, with a 3% discount, or within 60 days from receipt of the delivery and receipt of invoice without discount.
If invoices are sent to us during our company vacation period and if the adherence to discount deadlines is therefore not possible, we shall be entitled to a discount upon prompt payment after expiration of our company vacation period. Payments are effected at our discretion by sending of crossed cheque or by transfer to a bank or post office giro account. The payment shall be considered to be on time if the cheque is sent by mail on the due date or if the transfer was ordered at the bank on the due date.
Cash on delivery, postal orders and their potential costs shall not be paid by us.
- 4.4. We shall be entitled to offset and retention rights to the extent permitted by law.

5. Delivery, lead time

- 5.1. Unless separately agreed, the deliveries and services ordered by us shall be DAP at the destination specified by us (Incoterms 2020).
- 5.2. The dates and deadlines for delivery, acceptance, commissioning, etc. specified in the order shall be binding.
- 5.3. The ordered deliveries must be received on the agreed delivery date at the destination and/or be ready for commissioning or acceptance at the destination on the agreed commissioning or acceptance dates; services must be rendered on the agreed date of performance.
- 5.4. If circumstances arise or become known to the supplier that would hinder the timely fulfilment of the contract in the stipulated quality, the supplier must notify us promptly in writing, stating the reasons for the hindrance. The supplier must compensate us for any damage resulting from delayed, omitted or incomplete notification.
- 5.5. The statutory provisions shall apply to the requirements and legal consequences of delays in delivery and/or performance. Specifically, we shall be entitled, after fruitless expiration of a reasonable grace period, to demand compensation in lieu of performance.
In the event that we demand compensation, the supplier shall be entitled to demonstrate that he is not responsible for the breach of duty.
- 5.6. If a delivery or performance is not effected in due time by the supplier, we shall be entitled, after fruitless expiration of a reasonable grace period, to withdraw from the contract, even if there is no fault or responsibility on the part of the supplier. Sec. 323 of the German Civil Code (BGB) shall apply.
- 5.7. We are entitled to assertion of the claim to compensation in lieu of performance in accordance with the aforementioned item 5.5 in addition to the right of withdrawal in accordance with the aforementioned item 5.6.

6. Transport, passing of risk, documents, packaging

- 6.1. If conveyance costs are assumed by us in exceptional cases, the supplier shall be obligated, as a matter of principle, to select the most economical shipping method. Higher costs will be reimbursed by us only if these are attributable to special packaging and shipping instructions issued by us.
- 6.2. Our supplier shall be liable for any loss or damage occurring during transport, including unloading and up to the handover and/or acceptance. The supplier undertakes to insure the ordered deliveries at his expense against transport damage if they contain materials or parts provided by us. The supplier shall hereby assign to us all and any claims for compensation arising out of such insurance in the amount of the purchase price of the materials and parts provided by us, and we herewith accept this assignment.
- 6.3. All shipping and delivery documents, as well as other documents relating to the orders or contracts, must include all distinguishing references (**order and identification numbers**), unabridged, that are included in the orders or contracts. Shipping notices must be transmitted to us in duplicate immediately upon shipment of the goods. A bill of lading that shows the order date must be enclosed with every delivery. In case of partial deliveries, the quantity remaining to be delivered must be stated. Our purchasing order number must also be included in the shipping address of the packages.
The supplier shall be responsible for all and any delays in processing caused by his failure to carry out the prescribed labelling.
- 6.4. Unless otherwise especially agreed, we shall be under no obligation to retain any packaging material or to return it to the supplier.

7. Receipt, acceptance

- 7.1. If we are prevented from receipt or acceptance of the deliveries or services and from performing the associated obligations, such as the obligation to inspect and give notice of defects, due to circumstances of Force Majeure or due to delivery or performance impediments that occur after conclusion of the contract or that do not become known to us, through no fault on our part, until after conclusion of the contract and that verifiably could not be foreseen and prevented through due diligence by us, we shall be released from such obligations for the duration and in scope of effect of these circumstances and impediments. Under the aforesaid conditions – occurrence or discovery only after conclusion of the contract through no fault of our own, unpredictability and inevitability proven by us – the aforementioned delivery or performance impediments shall include but not be limited to the following: Legitimate forms of industrial action (strike and lockouts); disruptions of operations; shortage or failure of operating and auxiliary materials; shortage of staff.
We will notify the supplier of the impediment and the reasons thereof without delay.
- 7.2. We shall be entitled to refuse receipt or acceptance of deliveries before the agreed delivery or acceptance dates. Prematurely delivered goods can be returned or stored with third parties at the expense and risk of the supplier.
- 7.3. For deliveries of work and services, in case of prospective delivery dates or deadlines, we must be notified of the acceptance date no later than fourteen days before performance of the acceptance.
For the acceptance, at our request the supplier must prepare in duplicate an inspection record with the associated material certificates, according to which the acceptance will be performed and in which the defects identified during the acceptance are noted. After being signed by the contractual parties, this document shall serve as the acceptance protocol.
If the supplier is responsible for assembly services, the acceptance shall not be performed until after commissioning at the destination.

For software, at our request a reasonable period must be allowed for practical testing of the agreed requirements and functions (trial period) prior to acceptance.

- 7.4. The contractual products to be delivered must be packaged appropriately. If our specified packaging and/or shipping instructions are not adhered to, we shall be entitled to refuse acceptance of the contractual products without this resulting in our being in default of acceptance.

8. Requirements of the contract products, defects investigation, liability for defects, period of limitation for defect claims

- 8.1. Deliveries must comply with the applicable legal and official requirements of the exporting country, the importing country and our specified destination countries as well as with generally accepted engineering standards in effect at the time of delivery. The supplier will make sure that the suppliers in his supply chain adhere to these requirements as well.
- Our supplier will inspect the deliveries for compliance prior to shipping and prepare, at our request, a factory certification or inspection certificate. Furthermore, without requiring special instructions with our orders, deliveries must include the protections required according to the applicable accident prevention regulations.
- 8.2. Unless otherwise stipulated in these **General Terms and Conditions of Purchase** our claims in case of defects shall be based on the provisions laid down by law.
- 8.3. We shall be entitled to raise a complaint in case of obvious defects within a period of five working days, calculated from the receipt of the contractual products, or in the case of hidden defects within five working days from discovery.
- 8.4. The period of limitation for defect claims shall be based on the provisions laid down by law.
- 8.5. In case of defects, we shall be entitled – without prejudice to the statutory claims to which we shall be entitled in full – to return the defective delivery at the expense and risk of the supplier and to demand, at our discretion, rectification in the form of a defect-free replacement or repair of the defect. In this case, the supplier shall be obligated to bear all expenses required for the purpose of defect repair or replacement. The right to claim damages, in particular compensation in lieu of performance, shall remain expressly reserved.
- 8.6. After unsuccessful, reasonable setting of a grace period and in case of imminent danger or special urgency, we shall be entitled to correct the identified defects ourselves or have them corrected by third parties at the expense of the supplier.
- 8.7. The supplier will inform us of all and any significant errors and potential or actual risks that have arisen out of his deliveries or services and that have affected his customers or their customers.

9. Product liability, recall actions, liability insurance

- 9.1. If a product liability claim is brought against us by an injured party under domestic or foreign law, the supplier shall be obligated upon the initial request to indemnify and hold us harmless from and against all and any claims for damages insofar as the cause lies within his sphere of control and organization and the supplier is liable himself in relation to third parties.
- 9.2. Within the scope of his liability for damages within the meaning of item 9.1 above, the supplier shall also be obligated to reimburse any expenditures according to Sections 683 and 670 of the German Civil Code (BGB) and Sections 803, 840 and 426 of the BGB that result from or arise in connection with a recall action carried out by us. We will inform the supplier – to the extent possible and reasonable – about the content and scope of the recall actions to be carried out and will give him the opportunity to comment. Any other statutory claims shall remain unaffected thereby.

9.3. The supplier undertakes to take out and maintain a product liability insurance with a coverage of € 10,000,000.00 per personal injury/property damage – lump sum – during the term of this contract, i.e. until the respective expiration of the period of limitation for defects; if we are entitled to further claims for damages, these shall remain unaffected thereby.

10. Industrial property rights of any third parties

10.1. Our supplier guarantees that through, and in connection with, his deliveries and services no rights of any third parties in the Federal Republic of Germany or in our export countries (as known to the supplier at the conclusion of the contract) will be infringed.

The supplier will ensure in particular through appropriate agreements with his employees or agents that the contractual purpose, particularly the contractually agreed scope of use for software, is not adversely affected by potential co-authors or by other rights. At our request, the supplier will verify the conclusion of appropriate agreements with the persons involved in the creation of the software programme.

10.2. If a claim is brought against us by a third party due to an infringement of rights, the supplier shall be obligated upon our initial written request to indemnify and hold us harmless from and against these claims; without the consent of the supplier we shall not be entitled to conclude any type of agreements, particularly a settlement, with such third party.

10.3. The supplier's obligation to indemnify shall also relate to all and any expenses necessarily incurred by us due to or in connection with the assertion of claims against us by any third party.

Our supplier must assist us with court proceedings as necessary or, at our request, intervene in potential legal disputes at his expense.

10.4. We reserve the right to assert any potential claims for damages against the supplier.

10.5. The period of limitation for our claims in accordance with items 10.1 to 10.4 hereof shall be ten years, commencing with the conclusion of the respective contract.

11. Procurement of subcontracted materials and services by the supplier

11.1. The supplier shall be responsible for procuring the deliveries and services required for the ordered deliveries or services and shall be fully liable – even if procurement problems occur through no fault of his own (full assumption of the procurement risk).

11.2. The supplier shall be liable in any case – even through no fault of his own – for the deliveries and services procured by him and for his own deliveries and services. This shall apply in particular with respect to defects.

12. Liability

12.1. We shall be liable for damage – irrespective of the legal grounds thereof – only in the following cases

- a) in case of intent or gross negligence,
- b) in case of culpable damage to life, limb or health,
- c) in case of defects that we have maliciously concealed,
- d) within the framework of a guarantee commitment,
- e) to the extent that under the Product Liability Act there is liability for personal injury or damage to property for privately used items.

In case of culpable infringement of essential contractual obligations going to the root of the contract, we shall be liable also in the case of slight negligence – however, such liability shall be limited to the reasonably foreseeable damage typical for this type of contract. Any further claims shall be excluded.

12.2. Insofar as our liability is excluded or limited in accordance with item 12.1 above, such shall also apply to the personal liability of our employees, workers, staff members, representatives and vicarious agents.

13. Offsetting, rights of retention, assignment

13.1. An offset against our claims arising from the business relationship shall be permitted only if our supplier can offset with a claim that has been recognized by non-appealable judgement or that has been expressly recognized by us. The same shall apply to the assertion of rights of retention.

13.2. Claims may only be assigned with our written consent.

14. Title to the contractual products, title to documents and means of production produced on our behalf and at our expense

14.1. Our supplier shall transfer to us the ownership of the products manufactured according to our production documents and/or with the aid of our production materials already at the time of manufacture. Item 3.2 hereof relating to the processing, restructuring, combining and mixing of materials and parts provided by us, item 3.3 relating to the retention of sole and co-ownership and item 3.10 relating to the release of security rights shall apply accordingly.

14.2. Documents and means of production of any type or nature that are manufactured or procured by our supplier on our behalf and at our expense will become our property at the latest upon payment by us.

14.3. An expanded and extended reservation of ownership by the supplier shall on principle be excluded.

15. Copyrights, rights of exploitation, industrial property rights, rights of use

15.1. The following regulations shall apply to the means of production and products manufactured according to our production documents, prototypes, samples or models, as well as contract documents (drawings, designs, etc.), means of production and products, particularly software, **developed and produced for us and at our expense**.

15.2. Any industrial property rights, copyrights and/or rights of exploitation, as well as rights of use with respect to the production materials and products described in the aforementioned item 15.1 shall belong solely to us.

The supplier shall enable us as extensively as possible to use the aforementioned means of production and products in changed or unchanged form under exclusion of the supplier in every respect, whether in our own company or by transfer to third parties. This shall also include the exclusive right, without additional compensation, to freely exploit all and any inventions made within the scope of developments undertaken especially for us and at our expense.

15.3. With respect to software, we reserve in particular the exclusive right, without limitation in terms of time and place, to use programmes and documentation in all and any ways, including but not limited to running programmes in whatsoever

way in our own or third-party operations, reproducing and disseminating them, presenting them or transmitting them via dedicated lines or wirelessly. Such shall also include the right, without requiring further approval from the supplier, to process programmes and documentation according to our discretion or to redesign them in other ways and to utilize the resulting performance outcome in the same way as the original versions of the programmes and documentation. We shall be free, without requiring approval from the supplier, to grant simple or exclusive licenses to third parties or to transfer the acquired licenses in full or in part to third parties. The supplier shall ensure that any potential rights as per Sections 12 and 13, sentences 2 and 25, of the Copyright Act (German UrhG) will not be asserted. After acceptance, we can demand from the supplier at any time that he hand over all originals and copies of the programmes (including source programmes), documentation and other documents created during the development of the programme and confirm in writing the complete fulfilment of this obligation; insofar as the copies are recorded on machine-readable data storage media of the supplier, the deletion of the recordings shall take the place of the handover. We can also express this demand with the restriction that the supplier will remain entitled to retain one copy each, to be kept in a safe location, which shall serve for evidence purposes and for fulfilment of the guarantee obligations exclusively. The supplier shall in any case be prohibited from passing on the programmes and documentation, either in full or in part, in a form that is either unchanged or changed only insignificantly. Moreover, the supplier will treat as confidential all knowledge as to the manner in which the programmes are used by us.

- 15.4. Contractual products and means of production according to the aforementioned item 15.1 must be kept confidential at our request. The provisions stipulated in items 3.8 and 16 hereof (duty of confidentiality, prohibition of use) shall apply accordingly.
- 15.5. The supplier shall not be prohibited from continuing to use the know-how and/or knowledge available to him prior to execution of the contracts. In case of an objectively justified reason on our part, we can demand that the supplier keep confidential the know-how and knowledge obtained during the execution of the contracts relating to contractual products and means of production according to item 15.1 above, and that he refrain from exploiting these for himself or for any third party in any way whatsoever. In this case, the provisions laid down in item 16 (duty of confidentiality, prohibition of use) shall apply accordingly.
- 15.6. If, during the course of the development activities, inventions are made, the supplier agrees, if the invention was made by an employee, to lay a timely claim as well as to assign the invention to us.

16. Duty of confidentiality, prohibition of use

- 16.1. The supplier undertakes to treat as confidential all and any information and documents that become accessible in connection with the contracts concluded with

us that are designated as confidential or that can be identified for other reasons as trade or company secrets and – unless such is necessary in order to achieve the purpose of the contract - neither to record them, disclose them to any third party or otherwise utilize them in any form.

16.2. This obligation shall not apply to information that was in the public domain upon conclusion of the contract or that becomes accessible through no fault of the supplier, as well as to information already in the supplier's possession.

16.3. The supplier will instruct all employees and agents having access to the information and documents that must be kept confidential regarding the obligations under this contract and obligate them to maintain confidentiality indefinitely through appropriate contractual agreements and ensure that they also permanently refrain from any unauthorized use, disclosure or recording.

17. Indemnity, compliance with minimum wage law, compliance with directives/regulations

The supplier undertakes to fully indemnify and hold us harmless, upon the initial request, from and against all and any claims in connection with a potential failure to comply with the provisions of the minimum wage law. Furthermore, the supplier undertakes to provide us, upon our request, with complete evidence showing that the requirements of the minimum wage law are met. The supplier also affirms and declares to comply fully and verifiably with all provisions of the minimum wage law. The same shall apply to the supplier's own suppliers and/or subcontractors. The supplier also undertakes to comply with all relevant regulations and directives that apply as part of the respective contractual handling. This shall include but not be limited to the requirements of the REACH Regulation and the RoHS Directive. Also, in the case of non-compliance with these, the supplier shall fully indemnify us and hold us harmless.

18. Place of performance

The place of performance for deliveries shall be the destination specified by us - or in the absence of a specific location, the registered office of our company; the place of performance for our payments shall also be the registered office of our company.

19. Place of jurisdiction, applicable law, general provisions

19.1. If the supplier is a merchant as defined in the German Commercial Code, a legal entity under public law or a special fund under public law, place of jurisdiction for all obligations resulting from the contractual relationship – also for claims from bills and cheques – shall be the registered office of our company or, at our discretion, the registered office of the supplier. The aforementioned agreement on the place of jurisdiction shall apply also to suppliers having their registered office outside Germany.

19.2. The law of the Federal Republic of Germany shall apply to all rights and obligations arising from the contractual relationship between us and the supplier under exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980.

19.3. Should a provision of these terms and conditions or a provision within the framework of other agreements be or become ineffective, the effectiveness of all other provisions or agreements shall not be affected thereby.