

## General purchasing terms of TEUPEN Maschinenbau GmbH

### A. Scope, form

1. These general purchasing terms ("GPT") apply to our entire business relationship with business partners who provide us with deliveries or services (jointly referred to as "services") ("supplier").
2. These GPT apply in particular to contracts pertaining to the purchase and/or delivery of movable items ("goods") irrespective of whether the supplier produces the goods themselves or buys them from sub-suppliers (sections 433, 650 German Civil Code). Unless agreed otherwise, the version of these GPT last incorporated into a contract with the supplier also applies to future contracts, without us having to refer to them in each individual case.
3. The GPT apply exclusively. Any general terms and conditions issued by the supplier that differ from, contradict or supplement these purchasing terms only apply if and insofar as we expressly agree to them. This requirement for our agreement applies in all cases, even if we, in full awareness of the supplier's general terms and conditions, accept deliveries or services from the supplier without reservation, for example.
4. Unless specifically regulated otherwise, text form (e.g. letter, e-mail, fax) suffices for legally relevant declarations and notifications by the supplier. This does not affect any formal requirements defined by law. The same applies to our right to request identification from the person(s) issuing such declarations.

### B. Conclusion of contract

1. Our purchase order does not become binding until submitted or confirmed in writing. The supplier must check our purchase order for any noticeable errors. The supplier must notify us in particular of apparent mistakes (e.g. misspellings and miscalculations) and incompleteness of the purchase order including the order documentation so that we can correct or complete these prior to accepting the order; otherwise the contract is not deemed concluded. Notwithstanding this provision, we are at liberty to explicitly accept the declaration of the supplier based on the obviously erroneous or incomplete purchase order and thus enter into an effective contract.
2. To the extent that our purchase orders do not contain a provision to the contrary, we agree to be bound by the purchase order for 14 days from the day the order is issued.
3. The supplier does not charge us for providing a quotation.

### C. Performance and delay

1. The time of delivery specified in our purchase order is binding. The supplier is obliged to immediately inform us in writing, if circumstances occur or become apparent which result in the supplier being unlikely to meet the agreed delivery times, for whichever reasons. This does not release the supplier from their duty to deliver on time. We reserve all legal and contractual rights.
2. We will accept partial performance or early performance provided we have consented to these in advance.
3. If the supplier's performance is delayed, we can demand compensation for damages caused by the delay in the amount of 0.5% of the net price for each full calendar week but no more than 5% of the net price of the late performance. We reserve the right to prove that higher damages were suffered. The supplier has the right to prove that no damages or significantly lower damages were suffered. This does not affect our other legal and contractual rights and entitlements.

### D. Performance, delivery, passing of risk, delay in acceptance

1. Without our prior written consent, the supplier is not authorised to let third parties (e.g. sub-contractors) provide the performance the supplier owes us. The supplier bears the risk of procurement for their performance, unless agreed otherwise in individual cases (e.g. restriction on stock).
2. Every delivery is made DDP (Incoterms 2010) to the location specified in the purchase order. Unless a different destination is specified and no agreement to the contrary is reached, deliveries are to be made to our head office at Marie-Curie-Straße 13, 48599 Gronau. The respective destination is also the place of performance for the delivery and any applicable supplementary performance (obligation to provide).
3. A delivery note detailing the purchase order number, order date, buyer's reference number, supplier number, delivery address and quantity delivered must be included with every delivery. In addition, every article must be labelled with the corresponding TEUPEN article number with a logistics label. If the delivery note is missing or incomplete, we accept no responsibility for any resulting delays in processing and payment. In addition to the delivery note, a separate dispatch note with the same content must be sent to us. Suppliers who themselves have suppliers with their registered office in the European Union or Turkey will submit all the declarations, in particular a supplier's declaration, in order to prove the preferential status of the goods supplied.
4. The risk of accidental loss or accidental impairment of the goods passes to us upon handover at the place of performance. If acceptance is agreed on or prescribed by law, this is decisive for the passing of risk. In all other respects, the statutory provisions of the law on contracts for work and services also apply accordingly to acceptance. Any delay in acceptance on our part is deemed equivalent to handover or acceptance.
5. The supplier must also expressly offer their performance if a specified or specifiable calendar period is agreed on for an action or contribution by us (e.g. provision of material). If non-fungible goods to be manufactured by the supplier (custom production) are the subject of the contract, the supplier is only entitled to additional rights if we have undertaken to contribute and are responsible for the failure to contribute.
6. For all performances, the supplier must comply with the applicable provisions of national and international export, customs and foreign trade law and obtain any required export licences, unless the applicable regulations require us or a third party, and not the supplier, to apply for export licences. The supplier will inform us if this case arises or we have to perform other acts of cooperation.

### E. Prices and terms of payment

1. The price specified in our purchase order is binding. All prices include statutory turnover tax unless this tax is stated separately.
2. Unless agreed otherwise in individual cases, the price includes all services and ancillary services (e.g. assembly, installation) as well as all additional expenses (e.g. appropriate packaging, transport costs incl. any transport and third-party liability insurance).

3. The agreed price is due and payable without deductions within 30 calendar days of complete delivery and performance (including any agreed performance) as well as receipt of a valid invoice that separately states the turnover tax. Three copies of the invoice must be sent separately by mail or digitally to rechnungseingang@teupen.com and must include the information as per clause D.3 s.1 of these GPT. If we pay within 14 calendar days, the supplier grants us a discount of 3% on the net amount of the invoice. In the event of a bank transfer, payment is made on time if our transfer order is received by our bank prior to the expiry of the payment term; we are not responsible for delays incurred due to the payment process of the banks involved.
4. We do not owe any overdue payment interest. In the event of payment arrears, we are liable for default interest in the amount of 5% above the base interest rate as defined in Section 247 of the German Civil Code.
5. We are entitled to offsetting and retention rights as well as the plea of non-performance of the contract to the extent permitted by law. In particular, we are entitled to withhold payments due in respect of a contract as long as we are still entitled to claims against the supplier arising from incomplete or defective performance under this contract.
6. The supplier only has the right to offset or retention for legally established or undisputed counter-claims.

#### **F. Ownership, intellectual property and property rights of third parties**

1. We reserve all existing intellectual property rights, copyrights and other property rights currently held by us pertaining to any purchase orders or orders submitted by us, as well as to any diagrams, plans, drawings, calculations, instructions, descriptions or other documents (hereinafter: "**documentation**") provided to the supplier. Together with our own knowledge and expertise, the documentation constitutes our intellectual property (hereinafter: "**intellectual property**"). Unless otherwise stated in any other provision or regulation, the supplier will not be awarded any rights of use or licence to our intellectual property. All documentation that is handed over may only be used or copied for the purpose of contractual performance. It must be returned immediately if the contract is not concluded or it is no longer required for performance of the contract. Without our express consent, the supplier may not make the documentation itself or its contents accessible to third parties. The supplier must protect the documentation and any copies thereof from unauthorised access.
2. The party to the contract must comply with our notes on use in the documentation referred to in section F.1 of these GPT. In particular, the party to the contract must observe the restrictions on use contained in the documentation and must not use the documentation for purposes other than those for which it is intended.
3. Furthermore, the supplier hereby undertakes not to contest, question or imitate our intellectual property in any way. This provision also applies accordingly to trademarks and other marks. Furthermore, the supplier hereby undertakes not to use any trademarks or other marks in situations where there is a risk that said marks may be confused with trademarks or other marks belonging to us. Should the supplier wish to refer to their existing business relationship with us in information or marketing materials, this is only permitted with our express written consent.
4. The provisions in the preceding paragraphs 1, 2 and 3 apply accordingly to substances and materials (e.g. software, finished and semi-finished products) as well as tools, templates, samples and other objects which we provide to the supplier for production. The supplier must mark such objects as our property, guard them carefully, protect them from any type of damage as well as unauthorised access and use them only for the purposes of the contract. Each party to the contract bears half of the costs of maintenance and repairs, unless otherwise agreed. However, to the extent that these costs are due to defects in objects produced by the supplier or due to improper use by the supplier, their employees and other agents, they are to be borne solely by the supplier. The supplier will notify us immediately of all non- insignificant damage to these objects. On request, the supplier is obliged to return the objects to us in good order and condition when they are no longer required for the performance of contracts concluded with us.
5. If, during the term of the contract, property rights of third parties become known which prevent the performance of the contract existing between us and the supplier, we will agree on the further procedure with the supplier. We are under no obligation to research possible conflicting property rights. Should the supplier be responsible for the breach of third-party property rights, the supplier will fully indemnify us against any claims; this does not apply if the supplier proves that they are not responsible

for the violation of rights. For all other aspects, we refer to our claims due to defective deliveries in accordance with paragraph I of these GPT.

6. The supplier processes, mixes or combines (processes further) the provided objects on our behalf. The same applies to the further processing of goods delivered by us, so that we are deemed to be the manufacturer and obtain ownership of the product no later than upon further processing according to the statutory provisions.

#### **G. Retention of title**

An extended retention of title (extension of the retention of title to a work product on our part) and what is referred to as current account reservation (transfer of ownership only upon settlement of all claims from a business relationship) towards us are excluded. The supplier's retention of title ceases at the latest upon payment of the purchase price for the goods delivered. In the ordinary course of business, we remain authorised to resell the goods, assigning the resulting claim in advance, even before payment of the purchase price (alternatively, simple retention of title extended to resale).

#### **H. Confidentiality**

1. The supplier hereby agrees to treat all confidential information belonging to us of which they become aware during the course of the preparation, performance and processing of this contract as confidential and to maintain secrecy regarding said information, even after this contract has expired or been completed. Irrespective of its designation as confidential, confidential information includes all information (irrespective of the form) that is made accessible to the supplier, as well as information the confidentiality of which derives from the subject matter or other circumstances ("confidential information"). This supplier will take all reasonable precautionary measures to ensure confidentiality.
2. The supplier restricts access to the confidential information to those persons who need to be party to the confidential information in order to perform their duties in accordance with the contract. The confidential information may not be passed on to any other parties, be they individuals or legal entities.
3. The duty to maintain confidentiality does not apply to the following types of information:
  - a) That is already publicly accessible or known prior to its disclosure by us;
  - b) That has been made known or publicly accessible at the time of its disclosure by us or thereafter, without this being due to a violation of the confidentiality obligation;
  - c) Information for which we have provided advance written consent to disclosure;
  - d) Information that the supplier is required by law to provide to a government authority on account of an official decree or court order. If such a situation occurs, the supply will notify us accordingly, provided this is legally permitted.
4. The provisions of part F of these GPT remain unaffected.

## **I. Defective delivery**

1. The statutory provisions apply to our claims and rights in the event of material defects or defects in title in the goods (including incorrect or short delivery and incorrect assembly, faulty assembly or operating instructions) as well as other breaches of duty by the supplier, apply unless agreed otherwise below. In particular, we are entitled to all legal claims and rights. This also applies to our legal rights of recourse within a supply chain (sections 445a, 445b, 478 German Civil Code). In this context, we are entitled in particular to demand the exact type of supplementary performance (rectification or replacement) which we owe our customers in the individual case. This does not restrict our statutory right to choose (section 439(1) German Civil Code).
2. The supplier is responsible for ensuring that every service provided to us has the agreed quality. Those product descriptions which, in particular by designation or reference in our order, are the subject of the respective contract or have been incorporated into the contract in the same way as these GPT are deemed to be an agreement on quality in any event. It is irrelevant whether the product description comes from us, from the supplier or from the manufacturer.
3. The supplier is responsible for ensuring that all performance is state of the art and complies with the applicable statutory provisions and regulations and guidelines of authorities, trade and professional associations as well as the qualities required by us. In particular, the supplier is responsible for ensuring that deliveries and services meet the EN standards applicable to these. In the event of machines or systems that generate significant noise emissions, the supplier will produce a noise certificate.
4. If the goods in question are hydraulic components, the supplier is responsible for careful deburring and cleaning with final rinsing, whereby particles larger than 10 µm are filtered out. The supplier will package the hydraulic components in such a way that cleanliness during transit is guaranteed.
5. The statutory provisions apply to the commercial obligation to examine and give notice of defects (sections 377, 381 German Commercial Code) with the following limitation: Our obligation to inspect and give notice of defects is limited to defects which come to light during our incoming goods inspection by external examination, including of the delivery documents (e.g. transport damage, wrong and short delivery) or which are detectable during our quality control by random sampling. Our obligation to inspect and give notice of defects discovered subsequently remains unaffected. Our notification (notice of defects) is deemed to be without delay and in due time if it is sent within two weeks of discovery or, in case of overt defects, from the time of delivery.
6. The supplier also bears the cost of investigation and supplementary performance if it turns out that there was no actual defect. Our liability to pay damages in the event of unwarranted requests for remedy of defects remains unaffected; however, we are only liable if we have recognised or grossly negligently failed to recognise that there was no defect.

## **J. Product liability**

1. If the supplier is responsible for product damage, they must indemnify us from third-party claims if the cause is located in their area of control and organisation and the supplier is liable in external relations.
2. As part of their obligation to indemnify, the supplier must reimburse expenses in accordance with sections 683 and 670 of the German Civil Code, which arise from or in the context of a third-party claim, including any recall actions performed by us. We will inform the supplier of the content and scope of recall measures to the extent possible and reasonable and give the supplier the opportunity to make a statement. Further statutory claims remain unaffected.
3. The supplier must obtain and maintain product liability insurance with a lump sum coverage of at least 10 million EUR for each personal injury/property claim.

## **K. Cession**

The supplier does not have the right to cede their receivables from their contractual relationship with us to third parties. The above provision does not apply to cash receivables.

## **L. Limitation period**

1. The reciprocal claims of the parties to the contract will become statute-barred in accordance with the statutory provisions, unless otherwise stipulated below.
2. In deviation from section 438(1)(3) of the German Civil Code, the general limitation period for claims for defects is 3 years from the passing of risk. If acceptance has been agreed, the limitation period commences upon acceptance. The 3-year limitation period also applies accordingly to claims arising from defects of title, whereby the statutory limitation period for in rem restitution claims of third parties (section 438(1)(1) German Civil Code) remains unaffected. Furthermore, claims arising from defects of title do not lapse under any circumstances as long as the third party can still assert the right against us, in particular in the absence of a period of limitation.
3. Within their statutory scope, the limitation periods of the law governing the sale of goods apply to all contractual claims for defects. To the extent that we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (sections 195, 199 German Civil Code) applies here, unless the application of the limitation periods of the law governing the sale of goods leads to a longer limitation period in individual cases.

## **J. Applicable law and place of jurisdiction**

1. All legal relationships that arise in conjunction with the agreement, performance and termination of this contract are subject to the substantive law of the Federal Republic of Germany, to the exclusion of the CISG (United Nations Convention on Contracts for the International Sale of Goods).
2. To the extent that the party to the contract is a merchant, the sole place of jurisdiction for all disputes between the parties either resulting from or in conjunction with this contract is 48599 Gronau, Germany. However, we reserve the right to use any other legally viable place of jurisdiction based on our choice of supplier.

## **TEUPEN Maschinenbau GmbH**

Marie-Curie-Str. 13  
48599 Gronau, Germany