

FRAMO GmbH Terms and Conditions of Purchase

1. Applicable Terms and Conditions

- 1.1. The following general terms and conditions of purchase of FRAMO GmbH, Löbichau (hereinafter referred to as "FRAMO") apply exclusively. We only accept the general terms and conditions of purchase or other deviating conditions of the supplier if we have expressly acknowledged them in writing.
- 1.2. Our general terms and conditions of purchase shall also apply if we unconditionally accept the deliveries of the supplier while being aware of conflicting or deviating terms and conditions of the supplier. References of the supplier to the validity of its general terms and conditions of purchase are hereby expressly contradicted.
- 1.3. As soon as these general terms and conditions of purchase are established in a legal transaction concluded with the supplier, they shall also apply, under exclusion of terms and conditions of the supplier, to all future deliveries and services of this supplier to FRAMO unless FRAMO makes use of any other general terms and conditions of purchase or another agreement is expressly reached between the contracting parties.

2. Orders

- 2.1. Delivery contracts (order and acceptance) and delivery schedules as well as their changes and additions must be in writing.
- 2.2. If the supplier does not accept the order within three weeks of receipt, FRAMO is entitled to withdraw. Delivery schedules become binding at the latest if the supplier does not object within two weeks of receipt.
- 2.3. Within the scope of reasonableness for the supplier, FRAMO may demand changes in the design and execution of the delivery item. The consequences, in particular with regard to the additional and reduced costs as well as the delivery dates, are to be settled by mutual agreement in an appropriate manner.
- 2.4. The supplier may not transfer its contractual rights or obligations to third parties without the express written consent of FRAMO. The procurement of the ordered goods and services in their entirety or for the most part by third parties by the supplier also requires the express written consent of FRAMO. A breach of the above provisions entitles FRAMO to withdraw from the contract without the supplier being entitled to derive any claims therefrom.

3. Price, Invoicing and Payment

- 3.1. The price stated in the order is binding. Unless otherwise agreed, the price includes delivery “duty paid” including packaging.
- 3.2. The invoice must be sent immediately after delivery by separate mail to the postal address or e-mail of FRAMO. It must contain the date, order number and supplier number. If these conditions are not met, the invoice is deemed as not having been submitted.
- 3.3. Unless otherwise agreed, payment shall be made within 30 days of contractually proper receipt of the goods and receipt of the invoice or, if the customer receives an invoice only after receipt of the delivery/service, 30 days after receipt of the invoice. Payment is subject to invoice verification. If premature deliveries are accepted, the due date shall be determined according to the agreed delivery date.
- 3.4. Payment may be made only by bank transfer.
- 3.5. Receipt of the delivered goods and/or their payment by FRAMO does not constitute acknowledgment and occurs subject to verification of the invoice and the assertion of warranty rights and/or claims for damages.

4. Delivery Dates, Delivery Delay

- 4.1. Deadlines and dates are binding. Receipt of the goods at the FRAMO factory to which the goods are to be delivered is decisive for observance of the delivery date or the delivery deadline. If delivery “free to factory” has not been agreed, the supplier must provide the goods in due time taking into account the usual time for loading and shipping.
- 4.2. The supplier is obliged to compensate FRAMO for the damages caused by the delay. This does not apply to lost profits and losses from business interruption.
- 4.3. In the event of slight negligence, the compensation is limited to additional freight costs, retrofitting costs and, after fruitless grace period or if the interest in the delivery ceases to apply, to the additional expenses for cover purchases.

5. Force majeure

- 5.1. Force majeure, labor disputes, riots, official measures and other unforeseeable, unavoidable and serious events release the contracting parties from their obligation to perform for the duration of the disruption and to the extent of their effect. This also applies if these events occur at a time when the affected contracting party is in default.
- 5.2. The contracting parties are obliged to provide, within reason, the necessary information immediately and to adapt their obligations to the changed circumstances in good faith.

6. Shipping, Transfer of Risk

- 6.1. Unless otherwise specified, delivery shall be made duty paid to the place of receipt or use designated by FRAMO.
- 6.2. The supplier is obliged to attach the corresponding delivery notes to the deliveries. On the delivery notes the order number of FRAMO, the supplier number, the item number of the order as well as the FRAMO article number must be specified. If these requirements are not met, FRAMO is not responsible for the resulting delays in processing.

7. Quality and Documentation

- 7.1. The supplier must comply with the recognized rules of technology, the safety regulations and the agreed technical data for its deliveries.
- 7.2. Changes to the delivery item require the prior written consent of FRAMO. Irrespective of this, the supplier must constantly check the quality of the delivery items. The contracting parties shall mutually inform each other about the possibility of quality improvement.
- 7.3. If the nature and extent of the tests and the test equipment and methods have not been agreed upon between the supplier and FRAMO, FRAMO is prepared, at the request of the supplier, to discuss the tests with the supplier in the context of FRAMO's knowledge, experience and options in order to determine the testing technology. In addition, FRAMO will inform the supplier on request about the relevant safety regulations.
- 7.4. In addition, the supplier must record in its quality records for all products when, in what manner and by whom the defect-free production of the deliveries has been secured. This documentation must be kept for 15 years and presented to FRAMO if necessary. The supplier is entitled to shorten the retention period for the documentation if it can exclude risks to life and health during the use of the products. Upstream suppliers shall be obliged to the same extent by the supplier within the scope of the legal possibilities.
- 7.5. Insofar as authorities in charge of motor vehicle safety require insight into FRAMO's production process and testing documents in order to verify certain requirements, the supplier agrees to grant the authorities the same rights in their factory and to provide the authorities all reasonable support.

8. Hazardous Substances and Preparations

- 8.1. For goods and materials as well as for procedures which, due to laws, ordinances, other provisions or their composition and their effect on the environment, must undergo a special treatment, inter alia, with regard to transport, packaging, labeling, storage,

handling, production and disposal, the statutory provisions of the supplier must be observed.

- 8.2. In this event, the supplier shall provide FRAMO with the necessary papers and documents before the order is confirmed. In particular, all hazardous substances and substances dangerous to water may only be delivered after presentation of an EC safety data sheet and approval by FRAMO. In the course of the supply relationship, if the requirements under section 8.1 change, the supplier shall immediately send FRAMO the appropriate papers and documents in accordance with the changed requirements.
- 8.3. In addition, the supplier guarantees that its goods and materials delivered to FRAMO do not contain substances that are not authorized in the EU or that are restricted (country-specific). If (country-specific) restricted substances cannot be avoided and are contained in the offered and delivered goods and materials, the supplier is obliged to inform the customer of this separately and to have the delivery approved.
- 8.4. The supplier shall be liable for all damages resulting from non-compliance with the existing statutory provisions.

9. Notice of Defects

- 9.1. Defects of the delivery shall be reported to FRAMO in writing without delay as soon as they have been determined according to the circumstances of proper business procedure. The supplier waives objection based on delayed notice of defects in this regard.

10. Liability for Defects

- 10.1. If defective goods are delivered, FRAMO may demand the following if the respective legal and following prerequisites have been met unless otherwise agreed:
 - a) Before the start of production (processing or installation), FRAMO shall first give the supplier the opportunity to sort out and remedy the defect or to replace or re-deliver it unless this is unreasonable for FRAMO. If the supplier is unable to do this or if it does not do this immediately, FRAMO can withdraw from the contract without further notice and return the goods at the risk of the supplier. In urgent cases, FRAMO may, after consultation with the supplier, remedy the defect itself or have remediation carried out by a third party. The resulting costs shall be borne by the supplier. If the same goods are repeatedly delivered in a defective state, FRAMO is entitled to withdrawal after a written warning in the event of another defective delivery even for the unfulfilled scope of delivery.
 - b) If the defect is determined only after the start of production despite observance of the obligation in accordance with section 9 (notification of defects), then pursuant to § 439 (1) (3) (4) BGB, FRAMO may require supplementary performance and replacement of the transport costs required for the purpose of supplementary performance (without towing costs) as well as removal and installation costs

(labor costs, material costs if agreed) or reduce the purchase price of legal assets other than those that suffered the defect by the price of the defective goods. Further claims for reimbursement and damages due to the delivery of defective goods pursuant to § 437 BGB or directly from the regulations mentioned therein are only valid if agreed by contract. Section 18.1 must be observed for newly concluded agreements.

c) In the event of a culpable breach of duty beyond the delivery of defective goods (e.g. for a duty to inform, advise or investigate), FRAMO may demand compensation for the resulting consequential damage as well as for the consequential damages FRAMO compensates its customers for pursuant to the law. Consequential damage refers to the damage suffered by FRAMO due to the delivery of defective goods to other legal assets than to the goods themselves. Further claims for reimbursement and damages due to the delivery of defective goods pursuant to § 437 BGB or directly from the regulations mentioned therein are only valid if agreed by contract. Section 18.1 must be observed for newly concluded agreements.

- 10.2. The parts to be replaced by the supplier shall be made available to the supplier immediately upon request and at its expense.
- 10.3. Claims arising from liability for defects lapse after 24 months in accordance with the statutory limitation period unless otherwise agreed.
- 10.4. Claims for defects do not arise if the defect is due to violation of operating, maintenance and installation regulations, unsuitable or improper use, faulty or negligent treatment and natural wear as well as interference by FRAMO or third parties in the delivery item.
- 10.5. In the event of delivery of defective goods, the claims of FRAMO arising from the Product Liability Act, tort and business conduct without order remain unaffected by this section 10. Guarantees of quality and durability must be expressly designated as such in writing.

11. Liability

Insofar as no other liability provision has been agreed, the supplier is only obliged to compensate for the damage that FRAMO incurs directly or indirectly as a result of defective delivery, violation of official safety regulations or any other legal reasons attributable to the supplier.

- 11.1. There is an obligation to pay damages only if the supplier is at fault for the damage caused by it.
- 11.2. If a claim is made against FRAMO on the basis of no-fault liability to third parties, the supplier will step in for FRAMO insofar as it would also be directly liable. For the compensation of damages between FRAMO and the supplier, the principles of § 254 BGB

apply accordingly. This also applies to the case of a direct claim against the supplier.

- 11.3. Compensation is excluded if FRAMO has effectively limited its liability towards its customer. In doing so, FRAMO shall endeavor to agree on limitations of liability to the legally permissible extent also in favor of the supplier.
- 11.4. Claims of FRAMO are excluded insofar as the damage is attributable to FRAMO concerning violations of operating, maintenance and installation instructions, improper or improper use, faulty or negligent treatment, natural wear or faulty repair.
- 11.5. The supplier is liable for measures by FRAMO to remedy damages (e.g. recall action) as far as the supplier is legally obliged in this regard.
- 11.6. FRAMO shall promptly and comprehensively inform and consult the supplier if FRAMO wishes to make a claim against the supplier in accordance with the above provisions. FRAMO shall give the supplier the opportunity to investigate the claim. The contracting parties shall vote on the measures to be taken in particular in settlement negotiations.
- 11.7. The principles set out in section 4.2 apply mutatis mutandis to the extent that no or insufficient insurance is provided by the supplier.

12. Property Rights

- 12.1. The supplier is liable for claims arising from the infringement of third-party patents and property rights in connection with the contractual use of FRAMO products, irrespective of the countries in which these property rights exist, if the supplier is responsible for such infringement.
- 12.2. In the event of an infringement of property rights, for which it is liable in accordance with section 12.1, the supplier shall indemnify FRAMO and its customers from all third-party claims derived therefrom.
- 12.3. Sections 12.1 and 12.2 do not apply to delivery items that have been manufactured by the supplier exclusively on the basis of technical specifications and know-how of FRAMO (drawings, descriptions, other information). The duty of care to avoid any infringement of property rights is incumbent on FRAMO in such cases.
- 12.4. Insofar as the supplier is not liable pursuant to section 12.3, FRAMO shall indemnify it from all claims of third parties.
- 12.5. Insofar as the delivery items are manufactured on the basis of the supplier's know-how as well as the know-how and technical specifications of FRAMO, the supplier and FRAMO are jointly and severally liable for claims resulting from the infringement of third-party patents and property rights in the event of contractual use of the delivery items, regardless of the countries in which these property rights exist.
- 12.6. In cases of joint liability in accordance with section 12.5, FRAMO and the supplier shall

agree on how to remedy an infringement of property rights that has become known. Costs incurred in connection therewith, such as legal, procedural and court costs and/or royalties payable to third parties, shall be borne in equal parts by the supplier and FRAMO.

12.7. Each contracting party undertakes to inform the other contracting party without delay if it recognizes a risk of injury or a determination of an infringement of property rights and to coordinate the further course of action with it. The responsibility for the follow-up of the identified problem lies with the contracting party who is liable for such cases in accordance with sections 12.1 to 12.4. In the cases of sections 12.5 to 12.6, the responsibility lies with the contracting party with the predominant share of the cause and contribution.

12.8. Upon request, the supplier shall notify FRAMO of the published and unpublished proprietary and licensed patents and property rights used for the delivery items.

13. Use of Manufacturing Equipment and Confidential Information Provided by FRAMO

13.1. Models, dies, templates, samples, tools and other manufacturing equipment, as well as confidential information provided to the supplier by FRAMO or fully paid by FRAMO may only be used for deliveries to third parties with the prior written consent of FRAMO. In all other cases, delivery to third parties may only take place if the property rights/intellectual property rights (know-how) of FRAMO are not thereby infringed. In principle, FRAMO is prepared, after prior agreement, to allow the supplier to share such property rights/intellectual property rights (know-how) against payment of royalties.

14. Retention of Title

14.1. The supplier retains ownership of all goods delivered by it until complete payment; in this event, all deliveries are considered to be a unitary delivery transaction. For current accounts, the reserved property is considered a security for its balance claim.

14.2. If the goods of FRAMO are combined with other objects to produce a uniform object, and if the other object is to be regarded as the main object, FRAMO is obliged to grant proportional co-ownership to the supplier as far as the main object belongs to it. If FRAMO resells the delivered goods as intended, the claims arising against the customers along with all ancillary rights from the sale are hereby assigned to the supplier up to the complete settlement of all outstanding claims.

14.3. In justified cases, FRAMO is obligated, at the request of the supplier, to disclose the assignment to the third-party buyers and to provide the supplier with the information required for the assertion of its rights and to hand over documents.

14.4. The supplier shall release the securities held by it insofar as their value exceeds the claims to be secured by more than 20% in total.

15. Confidentiality

- 15.1. The contracting parties undertake to treat all non-public commercial and technical details, which they become aware of through the business relationship, as business secrets.
- 15.2. Drawings, models, templates, samples and similar items may not be handed over or otherwise made accessible to unauthorized third parties. The duplication of such objects is only permitted within the framework of operational requirements and copyright regulations.
- 15.3. Sub-suppliers shall be obliged accordingly.
- 15.4. The contracting parties may only advertise their business relationship with prior written consent.

**16. Foreign Trade Control
Sanctions List Check**

In accordance with EU Regulations No. 2580/2001 and 881/2002 and their amendments, the supplier undertakes not to have any business contact with companies, businesses, credit institutions, organizations and persons who are on the EU and/or US sanction lists. FRAMO is entitled to terminate the contract and all existing contracts with the supplier without delay and to terminate existing business relationships if accompanying examination shows a violation of the sanctions list by the supplier.

17. Repair and Maintenance Information

The contracting party shall provide FRAMO with repair and maintenance information or information on the preparation of repair and maintenance information on the subject matter of the contract (hereinafter referred to as "RMI"). The contracting party shall ensure that this RMI is free of third party rights and shall waive being designated as the originator of this RMI. In particular, the RMI provided to FRAMO shall contain drawings, specifications, instructions and any information on the subject matter of the contract which is required to fulfill legal requirements. FRAMO and the companies affiliated with FRAMO pursuant to §§ 15 ff. AktG are entitled to use, reproduce, process, modify, translate and/or publish the RMI in any form. Furthermore, FRAMO is entitled to further develop the RMI to FRAMO's own RMI and/or to make the RMI of the contracting party and FRAMO's own RMI available to third parties. It is hereby clarified that the RMI is not subject to confidentiality, and the use of it by FRAMO is free of charge.

18. General Provisions

- 18.1. In determining the amount of the compensation claims to be met by the supplier, the economic circumstances of the supplier, type, extent and duration of the business relationship, any cause and/or fault contributions of the customer in accordance with §

254 BGB, and a particularly unfavorable installation situation of the supplier part are to be taken into account appropriately in favor of the supplier. In particular, the compensation, costs and expenses to be borne by the supplier must be commensurate with the value of the supplier part.

- 18.2. If a contracting party ceases payments or if insolvency proceedings are instituted against its assets or an out-of-court settlement procedure is applied for, the other party is entitled to withdraw from the contract for the unfulfilled part.
- 18.3. Should a provision of these terms and conditions and the other agreements made be or become invalid, this shall not affect the validity of the remaining provisions of the contract. The contracting parties are obliged to replace the invalid provision with a provision which is as similar as possible in terms of economic success.
- 18.4. The law of the Federal Republic of Germany applies exclusively unless otherwise agreed. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11/04/1980 is excluded.
- 18.5. The place of performance for deliveries is the FRAMO plant to be supplied. Otherwise, the place of performance is Löbichau.
- 18.6. If the contracting party is a merchant within the meaning of the Commercial Code, a legal entity under public law or a special fund under public law, the exclusive, also international, place of jurisdiction is Löbichau. However, FRAMO is entitled to bring an action before any other competent court.