

General Terms and Conditions of Purchase – COMPO EXPERT GmbH

1. Scope.

1.1 These general terms and conditions of purchase apply to all business relationships with our business partners and suppliers (“seller”). However, these general terms and conditions of purchase only apply if the seller is a “trader”, as defined in Section 14 of the German Civil Code (BGB), a legal person incorporated under public law or an investment fund incorporated under public law.

1.2 These general terms and conditions of purchase apply in particular to contracts for the purchase and/or delivery of movable objects (“goods”), regardless of whether the seller manufactures the goods itself or purchases them from suppliers. Unless otherwise agreed, the version of these general terms and conditions of purchase valid at the time we place the order, or at least the version most recently shared with the seller in text form, shall also serve as a framework agreement for any future contracts of the same type without us having to refer to it again in each individual case.

1.3 These general terms and conditions of purchase apply exclusively. Any deviating, conflicting or supplementary general terms and conditions of the seller shall only be included in the contract if we explicitly approve their validity in writing. We must grant our approval in each case (e.g. even if the seller refers to its own general terms and conditions when issuing an order confirmation and we do not explicitly object to them).

1.4 Any individually agreed terms (e.g. general supply contracts, quality assurance agreements) and the information provided in our purchase order shall take precedence over these general terms and conditions of purchase. In case of doubt, all commercial terms shall be interpreted according to the version of the Incoterms® applicable at the time the contract is concluded, as published by the International Chamber of Commerce (ICC) in Paris.

1.5 Any references to the validity of statutory provisions are only made for clarification purposes. The statutory provisions shall therefore also apply without such clarifying references, unless they are directly amended or explicitly excluded by these general terms and conditions of purchase.

1.6 The applicability of these general terms and conditions of purchase shall not prevent us from including other general terms and conditions in the contract (e.g. terms and conditions for construction and assembly work).

2. Form.

Any orders, changes to orders and other agreements, as well as any legally relevant declarations and notifications from the seller in relation to the contract (e.g. set deadlines, payment reminders or withdrawal from the contract) shall only be binding if they are submitted in writing. For the purposes of these general terms and conditions of purchase, the term “in writing” also includes text form (e.g. letter, email, fax). Any exceptions to this written form requirement must also be agreed in writing. Notwithstanding the above, the statutory provisions apply with regard to formal requirements and additional evidence, especially in case of doubt regarding the authority of the person submitting a declaration.

3. Drawings and Other Documents.

Any agreed detail drawings must be provided to us free of charge in the form of a printout (DIN format, A series); the drawings shall become our property. If this is not done in a timely manner before the order is to be executed, any additional expenses resulting from subsequent design changes shall be borne by the seller. In the event of any design changes, the seller must make the corresponding adjustments to the drawings free of charge. At the latest when the order has been completed, the seller must provide us with the following items free of charge, which shall become our property:

3.1 the final detail drawings, including all operationally necessary documents that will enable us in particular to instruct the relevant operators and supervisors and to perform repair work, procure

spare parts and make extensions or modifications, each as a printout (DIN A4 format) and as an additional copy in a common file format;

3.2 all documents required for any official approvals;

3.3 a detailed list of wearing parts upon request; and

3.4 suitable codification documents for materials procured for the first time, enabling spare parts to be ordered and the main wearing parts, standard parts and vendor parts to be identified, including regular updates to the documentation.

4. Services, Deliveries, Transfer of Risk, Delivery Time.

4.1 The seller shall not be entitled to have the services owed under the contract provided by third parties (e.g. subcontractors) without our prior written consent. The seller shall bear the procurement risk for its services, unless otherwise agreed in a specific case (e.g. limitation to stocks).

4.2 Unless otherwise specified in the purchase order or otherwise agreed, the goods must be delivered CFR / CPT to the agreed destination. The respective destination shall also be the place of performance for the delivery, as well as the place of performance for any rectification measures in case of defects.

4.3 Each delivery must be accompanied by a delivery note specifying the date (issuance and dispatch), the contents of the delivery (item numbers and quantity) and our purchase order reference (date and number). If a delivery note is missing or incomplete, we shall not be held responsible for any subsequent delay in processing and payment. A corresponding dispatch note with the same content must be sent to us separately from the delivery note.

4.4 The risk of accidental loss and deterioration of an item shall be transferred to us as soon as the item is handed over at the place of performance. If a formal acceptance procedure is agreed, this shall determine when the risk is transferred. The statutory provisions on contracts for work and services shall also apply accordingly to any acceptance procedure. The purchased items shall be deemed to have been handed over or accepted if we are in default of acceptance.

4.5 The statutory provisions shall determine whether we are in default of acceptance. However, the seller must expressly offer us its services even if a specified or specifiable calendar date has been agreed for us to act or cooperate in any other way (e.g. by providing materials).

4.6 The delivery deadline specified in our purchase order shall be binding. If no delivery deadline is specified in the purchase order, and if no other agreement has been made in this regard, it shall be 3 weeks from the conclusion of the contract.

4.7 The seller shall be obliged to immediately inform us in writing if it believes that it will not be able to meet any agreed delivery deadlines for whatever reason.

4.8 If the seller fails to provide its services within the agreed delivery deadline or if the seller defaults on a delivery, our rights shall be determined by the statutory provisions, in particular our right to withdraw from the contract and demand compensation for damages. This shall be without prejudice to the provisions of Section 4.9 below.

4.9 If the seller defaults on a delivery, we may, in addition to asserting further statutory claims, demand a lump sum of compensation for the damages incurred as a result of default amounting to 1% of the net price per full calendar week, but no more than 5% of the net price of the delayed goods in total. We reserve the right to prove that we have incurred greater damages. The seller reserves the right to prove that we have incurred significantly less or no damage.

4.10 If a delivery and/or the fulfilment of an order is delayed due to events beyond the control of the parties (i.e. force majeure, in particular unavoidable operational disruptions, strike action, lockouts, fire damage, official orders), we shall be entitled to withdraw from the contract after a reasonable period.

5. Weight.

If the seller fails to weigh the goods as agreed, the weight determined by us shall apply.

6. Shipping and Packaging.

The seller must take care of shipping and must choose the cheapest and most suitable means of transport and packaging. The seller may only take out transport insurance after consulting with us.

7. Claims for Defects.

7.1 If the goods have any material defects or defects in title (including incorrect and short deliveries, improper assembly / installation or inadequate instructions), and if the seller breaches any other duties, our rights shall be governed by the statutory provisions and the following additions and clarifications, which shall apply exclusively for our benefit.

7.2 In accordance with the statutory provisions, the seller shall be particularly liable for ensuring that the goods have the agreed quality when the risk is transferred to us. In any case, the agreed quality shall be inferred from the product descriptions that are subject to the respective contract or that are included in the contract in the same way as these general terms and conditions of purchase, in particular by means of an indication or reference contained in our purchase order. It shall make no difference whether the product description is provided by us, the seller or the manufacturer.

7.3 In the case of goods with digital elements or other digital content, the seller shall be obliged to provide and update the digital content to the extent that this is stated in an agreement on qualities (see Section 7.2 above) or in any other product descriptions that may be offered by or on behalf of the manufacturer, in particular on the Internet, in advertisements or on product labels.

7.4 We shall not be obliged to examine the goods or make specific enquiries about any defects when entering into the contract. We shall therefore be fully entitled to assert claims for defects even if we must have been aware of the defect(s) in question when entering into the contract.

7.5 The statutory provisions apply with regard to our commercial obligation to inspect deliveries and report any defects, subject to the following conditions: We shall only be obliged to look for any defects that may be revealed by external inspections of incoming goods, including delivery documents, or any defects that may be revealed by random quality controls (e.g. transport damage, incorrect or short deliveries). We shall not be obliged to inspect the goods if a formal acceptance procedure has been agreed. The necessity of an inspection shall also depend on its feasibility within our ordinary course of business, taking into account the specific circumstances of each case. However, we shall still be obliged to report any defects found at a later date. Irrespective of our obligation to inspect deliveries, we shall be deemed to have raised an immediate and timely complaint (notification of defects) if we submit it within 10 working days of discovering the defect or, in the case of obvious defects, within 10 working days of delivery. Any defects must be reported by the end of the limitation period at the latest.

7.6 In the event of a claim for defects, the relevant rectification measures shall also include removing the defective item and reinstalling it, insofar as the item had been installed in another item or attached to another item in accordance with its intended use before the defect became apparent; this shall be without prejudice to our statutory claim to compensation for the relevant expenses (removal and reinstallation costs). Any necessary expenses incurred for the purpose of inspecting the defects and rectifying the situation (e.g. costs for transport, travel, labour, materials, dismantling and assembly) shall be borne by the seller even if it turns out that there actually are no defects. We shall be liable for damages in the event of an unjustified request for the rectification of a defect; however, we shall only be liable if we actually recognised the lack of defects or failed to recognise this through gross negligence.

7.7 Notwithstanding our statutory rights and the provisions of Section 7.5 above, if the seller does not meet its obligation to rectify a defect, either by eliminating the defect (repair) or delivering a non-defective item (replacement), as chosen by us, within a reasonable period of time set by us, we may remedy the defect ourselves and demand reimbursement of the necessary expenses or a corresponding advance payment from the seller. If the seller fails in its attempt to rectify a defect, or if the rectification measures are unreasonable for us (e.g. because the matter

is particularly urgent, there is a threat to operational safety or we are about to incur disproportionate damage), we shall not be required to set a deadline; we shall inform the seller of such circumstances immediately, giving advance notice where possible.

7.8 In the event of a material defect or defect in title, we shall also be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to compensation for damages and the reimbursement of expenses in accordance with the statutory provisions.

8. Liability for Defective Products.

8.1 If the seller is responsible for a defective product, it shall indemnify us against any third-party claims to the extent that the cause can be traced back to its sphere of control and organisation and to the extent that the seller is personally liable to third parties.

8.2 As part of its obligation to provide indemnification, the seller must reimburse any expenses resulting from or in connection with any third-party claims, including any product recall campaigns carried out by us, in accordance with Sections 683 and 670 BGB. We shall inform the seller about the content and scope of any such product recalls – if possible and reasonable – and shall give the seller the opportunity to comment. We reserve the right to assert further statutory claims.

8.3 The seller must take out product liability insurance with a sum insured of at least EUR 10 million per claim for personal injury / property damage; the seller must constantly renew the policy.

9. Limitation Period.

9.1 Any mutual claims held by the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise specified below.

9.2 The general limitation period for any claims for defects shall be 36 months from the transfer of risk. If a formal acceptance procedure has been agreed, the limitation period shall begin once the goods have been accepted. The 36-month limitation period shall also apply accordingly to any claims arising from defects in title, but without prejudice to the statutory limitation period for real rights of third parties on the basis of which the return of a purchased item may be demanded; in addition, any defects in title shall not become time-barred under any circumstances as long as the third party can still assert the right against us, in particular in the absence of a limitation period.

9.3 The limitation periods stipulated in sales law, including the aforementioned extension, shall apply to all contractual claims for defects to the extent permitted by law. If we are also entitled to assert non-contractual claims for damages due to a defect, the regular statutory limitation periods specified in Sections 195 and 199 BGB shall apply, unless the limitation period could be extended in a particular case by applying the limitation periods stipulated in sales law.

10. Remuneration / Payment.

10.1 We shall only provide remuneration and reimburse expenses to the extent explicitly agreed.

10.2 We shall make payments on the basis of “invoices”, as defined in Section 14 (1) of the German Value Added Tax Act (UStG), which are sent to us by email at invoice@compo-expert.com with value added tax shown separately. Once the final invoice has been issued, no additional claims shall be accepted.

10.3 An invoice for each delivery or service must be sent to our invoice verification department; it must be sent separately from the shipment itself. All invoices must contain the same wording as our order descriptions (material short text and material number), as well as our order number and the order date. Any invoices that do not contain all this information shall be returned and deemed not to have been received in the first place; they shall not be due for payment and must be removed from any records used as evidence for payment reminders.

10.4 In the absence of any individually agreed terms, payments shall be made at our own discretion after 14 days with a 3% discount for early payment or after 90 days in full. In the case of bank transfers, the payment shall be deemed to have been made on time if our transfer order is

received by our bank within the payment deadline; we shall not be responsible for any delays caused by the banks involved in the transaction. Any invoices that are payable “promptly” or “immediately” shall generally be paid after 30 days.

10.5 The payment deadline for an invoice shall start to run on the working day following receipt (by email) of a proper, verifiable invoice or following acceptance of the goods or services – whichever is later. Any incorrect or incomplete invoices shall not be due for payment and may be returned by us at any time. If we return an invoice for this reason, the due date shall only be established when the corrected invoice has been received. If any shipping documents are missing, if an invoice is received by a department other than the one mentioned, or if an invoice is incorrect or incomplete, the payment deadline shall be extended by as many days as are needed to rectify the issues caused by the seller.

10.6 We may exercise the right to offset and withhold claims – and base our defence on an unfulfilled contract – to the extent permitted by law. In particular, we shall be entitled to withhold any outstanding payments for as long as we hold claims against the seller due to incomplete or defective services – without waiving our right to price reductions, discounts for early payment or similar payment benefits. Even if we accept deliveries ahead of schedule, the payment deadline shall only start to run on the delivery date specified in the purchase order or on the date we actually receive the invoice – whichever is later.

10.7 The seller shall only be entitled to exercise a right to offset or withhold claims due to legally established or undisputed counterclaims.

10.8 We shall make payments once a week in EUR or USD, as agreed. Each payment shall be in the next payment run following the due date using a payment method of our choice.

11. Intellectual Property Rights.

The seller agrees to ensure that the goods or services are free of third-party rights and that no intellectual property rights are infringed by its products / services or by our use of them. The parties shall immediately notify each other in writing if any claims are asserted against either of them due to intellectual property right infringements. If the contractually agreed use of any products / services is impaired by third-party intellectual property rights, the seller shall be obliged – without prejudice to its other contractual and legal obligations, at its own expense and after consulting with us – to either contact the person with powers of disposal over the intellectual property rights and arrange for us to use the products / services as contractually agreed without restriction and at no additional cost for us, or to modify the affected parts of the products / services in such a way that they are then no longer covered by the intellectual property rights while continuing to fully meet the contractual specifications.

12. Documents, Provision of Materials, Retention of Title

12.1 We shall reserve all proprietary rights and copyrights to illustrations, plans, drawings, calculations, instructions, product descriptions and other documents. Any such documents may only be used for the performance of the contract and must be returned to us once the contract has been completed.

12.2 The above provision shall apply accordingly to any substances and materials (e.g. software, finished and semi-finished products) and any tools, templates, samples and other items that we may provide to the seller for production purposes. Unless such items are processed, they must be stored separately and reasonably insured against loss and destruction at the expense of the seller.

12.3 If the seller processes, mixes or combines any of the materials we provide, any such further processing shall be done for us. The same shall apply if we carry out further processing on the delivered goods ourselves; we shall be regarded as the manufacturer and shall acquire ownership of the final product – at the latest when the goods are subjected to further processing – in accordance with the statutory provisions.

12.4 We must be transferred ownership of the goods unconditionally, regardless of whether the purchase price has been paid. However, if we ever accept an offer from the seller for the transfer

of ownership that is conditional on the payment of the purchase price, the seller's retention of title shall expire at the latest when the purchase price for the delivered goods is paid. We shall be authorised to resell the goods within our ordinary course of business even before the purchase price has been paid, provided that the resulting claims are assigned to the seller in advance (alternatively, validity of the simple retention of title extended to the resale). In any case, the seller shall not be entitled to exercise any other forms of retention of title, in particular any extended or transferred retention of title and any retention of title extended to further processing.

13. Expertise, Confidentiality

13.1 With regard to confidentiality, the statutory provisions shall apply unless they are directly amended or explicitly excluded by these general terms and conditions of purchase. Any specific non-disclosure agreements between us and the seller shall take precedence over the confidentiality provisions set out in these general terms and conditions of purchase.

● **13.2** The seller shall be obliged to maintain confidentiality with regard to any non-public information that we may disclose to it over the course of our business relationship, in particular any commercial and technical details and any of the documents outlined in Section 12 above, regardless of whether the information in question is shared in writing, electronically or verbally ("confidential information"), and to refrain from making such information accessible to third parties without our express written consent. In some cases, confidential information may also include information or documents that do not meet the criteria for "business secrets", as defined in the German Act for the Protection of Business Secrets (GeschGehG). Unless absolutely necessary for the seller to execute an order, or unless we give our prior written consent, the seller shall not be entitled to copy, change, reproduce and/or reverse engineer any confidential information that is made accessible, i.e. to observe, examine, analyse, dismantle, disassemble and/or test any tangible and/or intangible objects, systems and/or other products containing our expertise, or to have any such actions performed by third parties on its behalf, in order to isolate and obtain our expertise.

● **13.3** The obligations set out in Section 13.2 above must also be imposed on the seller's own employees and suppliers; as far as legally possible, these obligations must continue to apply after the contractual relationship with the respective supplier or employee has ended.

13.4 The confidentiality obligation shall not apply if there is evidence to suggest that the information

- a) was already known to the seller at the time it was disclosed or became known;
- b) is or becomes public knowledge through no breach of the obligation set out in Section 13 above;
- c) is developed independently by the seller;
- d) has been approved by us in writing for disclosure;
- e) has been lawfully received by the seller from a third party without being subject to a non-disclosure obligation; or
- f) has to be disclosed by the seller due to legal obligations towards a third party.

13.5 The confidentiality obligations set out in Section 13 above shall continue to apply after our contractual relationship with the seller has expired until the confidential information in question becomes public knowledge.

14. Human Rights, Environment, Sustainability, Ethics, Quality Assurance, Management System

14.1 The seller agrees to perform any obligations we may specify in the interest of safeguarding human rights and protecting the environment. In particular, the seller agrees to avoid or minimise any human rights risks and environmental risks and to stop any violations of its obligations relating to human rights and environmental protection.

14.2 The seller hereby declares that it shall make every effort to act in accordance with all relevant local, national and international laws, to reject all forms of corruption and bribery, to respect

the human rights of its employees, especially by ensuring equal rights, regardless of skin colour, race, nationality, social origin, disability, sexual orientation, political or religious beliefs, gender or age,

to reject all forms of prohibited child or slave labour, to assume responsibility for the health and safety of its employees, and to comply with existing laws intended to safeguard competition, in particular by observing antitrust regulations.

14.3 With regard to its own products and/or services and any supplies or supplementary services provided by third parties, the seller shall be obliged to promote environmental protection as far as technically and economically possible. In particular, this means designing products with green materials and production methods (e.g. minimising emissions, pollutants and waste in production and designing structures that are easy to dismantle), using environmentally friendly and recyclable operating materials, and generally trying to reduce the consumption of resources (e.g. in terms of energy and materials).

14.4 Unless otherwise agreed, the seller shall be obliged to provide its products and/or services in such a way that the relevant legal and official rules, regulations, guidelines and other standards applicable at both the place of manufacture and the place of use specified by us are observed throughout the entire supply chain, particularly in development, design, production, packaging, transport, installation, operation, cleaning, maintenance and disposal, and particularly with regard to quality assurance, environmental protection, occupational health and safety, transport safety and product safety.

14.5 In order to implement the requirements set out here in Section 14, the seller must set up, use and continually develop a suitable management system that is customary in the industry. The management system must include any supplies and supplementary services procured from third parties. If the seller maintains a certified management system (e.g. ISO 9001, ISO 14001, ISO 50001 or equivalent, as amended), the seller shall regularly send us the relevant certificates – without being asked – when the first delivery is made, when every subsequent delivery is made and whenever the certificates are updated.

14.6 As part of its management system, the seller must maintain a suitable, documented quality assurance system. The seller must design and update its quality assurance system in such a way that it always reflects the current state of the art. The seller must keep records of its quality controls and make them available to us immediately and free of charge upon request.

14.7 In order for us to ensure that the seller is complying with the obligations stipulated here in Section 14, and in order for us to assess the effectiveness of the seller's management system, the seller hereby allows audits to be conducted either by us or an authorised representative. The seller's legitimate interests, particularly with regard to confidentiality, shall be taken into account during the audits. They must be announced to the seller in good time, but at least two weeks in advance.

14.8 The seller shall also be obliged to appropriately impose the expectations and obligations set out here in Section 14 on its own suppliers throughout its supply chain.

14.9 If the seller determines that it will not be able to stop the violation of an obligation relating to human rights or environmental protection in the foreseeable future, the seller must, if requested by us, immediately cooperate with us in preparing and implementing a plan to stop the violation, including a specific schedule. If it is foreseeable that the seller will not be able to meet the requirements set out in the plan, we shall be entitled to suspend the business relationship until the seller has stopped the violation.

14.10 We shall be entitled to terminate the contract with immediate effect and without notice if (i) the violation of an obligation relating to human rights or environmental protection is deemed to be very serious, (ii) the measures implemented as part of the plan defined in Section 14.9 above have not rectified the issue within the agreed schedule, or (iii) we have no other, milder means at our disposal and increasing our influence over the matter does not appear promising.

14.11 The seller shall fully indemnify us if we incur any costs, damages and/or expenses as a result of the seller's breach of the obligations set out in Section 14 above; in such cases, the seller shall also cover any reasonable costs incurred for our legal defence.

14.12 When procuring products, services or facilities that may have an impact on our key energy consumption, we may include energy performance considerations in our evaluation of the procurement (energy use, energy consumption, energy consumption). This means that energy efficiency shall be taken into account in our procurement decisions.

15. Applicable Law, Place of Jurisdiction.

15.1 The contractual relationship shall be subject to the law of the Federal Republic of Germany.

15.2 If the seller is a "merchant", as defined in the German Commercial Code (HGB), a legal person incorporated under public law or an investment fund incorporated under public law, our registered office in Münster, Germany, shall be the exclusive – and international – place of jurisdiction for any disputes arising from the contractual relationship. The same applies if the seller is a "trader", as defined in Section 14 BGB. In any case, however, we shall also be entitled to take legal action at the place of performance for the delivery, as indicated in these general terms and conditions of purchase or in a prioritised individual agreement, or at the seller's general place of jurisdiction. This shall be without prejudice to the prioritisation of certain statutory provisions, particularly those relating to exclusive competences.

Last updated: 30 April 2024