

General Purchase Conditions

valid from January 01st, 2021

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1. Scope

- 1.1 These General Purchase Conditions shall apply to any and all purchase orders placed by eibe Produktion + Vertrieb GmbH & Co. (hereinafter each referred to as "Purchaser"), in particular to any and all purchase orders regarding deliveries and services under a sales contract, a contract for works and services, or a service contract, including consultancies and any other ancillary services (hereinafter together referred to as "Delivery/Deliveries", unless referred to otherwise) in relationships with entrepreneurs, legal entities under public law and special funds under public law (hereinafter uniformly referred to as "Contractor"). Any and all conditions of the Contractor which deviate from or complement these General Purchase Conditions shall only apply to the extent that the Purchaser has explicitly acknowledged such conditions in writing. This shall apply in particular also if the Purchaser accepts Deliveries in knowledge of deviating or complementing conditions of the Contractor without any reservation or makes any payments.
- 1.2 Within an ongoing business relationship, these General Purchase Conditions shall also apply to any and all future purchase orders of the Purchaser.

2. Contract, Setoff Rights

- 2.1 The Contractor shall make free of charge and binding offers.
- 2.2 Remuneration for visits, for the preparation of offers and projects, or for the production or supply of samples etc. is not granted.

3. Purchase Orders

- 3.1 The formation of a contract requires an order from the Purchaser which can be set out in written form, simple text without signature or electronic form. Oral agreements prior to the formation of the contract or amendments to the contract shall require the confirmation of the Purchaser in written form, simple text without signature or electronic form.
- 3.2 The Contractor shall confirm purchase orders in writing by quoting the reference number of the Purchaser. If the order confirmation is not issued by the Contractor within 5 days following the receipt of the purchase order, the Purchaser is no longer bound by the purchase order.
If the order confirmation deviates from the purchase order, the Contractor must notably highlight the deviation in the order confirmation. Such deviations shall only become integral part of the contract if the Purchaser accepts them in written form, simple text without signature or electronic form.
- 3.3 The reference number of the Purchaser, the purchase order date, and, if existent, the position number of the Purchaser, as well as the place of unloading shall be quoted in any and all invoices, shipping documents, and delivery notes. The Purchaser reserves the right to refuse accepting order confirmations, invoices, shipping documents and delivery notes without an order number. If the invoice does not comply with the above requirements, the Purchaser can charge the Contractor a flat rate of 50.00 € per incorrect invoice for the additional work involved. The Contractor shall bear any and all costs incurred due to the non-observance of the aforementioned indications, unless he is not at fault for the non-observance.
- 3.4 Any drawings or other documents referred to in the purchase order are an integral part of the purchase order. They become integral part of the contract, unless explicitly otherwise determined by the Contractor in the order confirmation he issues in connection with the purchase order. The risk of any deterioration, including accidental loss, shall thus remain with the Contractor until delivery at the point of use requested by the Purchaser. The documents (technical drawings, samples, etc.) must generally be returned to the Buyer without delay (i.e. if they are no longer required for the execution of the purchase order(s)) at the expense of the Contractor.
- 3.5 The Contractor is not entitled to assign Subcontractors without the prior written approval of the Purchaser.
- 3.6 The Incoterms valid on the day of the formation of the contract shall apply to any interpretation of trade terms.

4. Packaging, Shipping and Delivery

- 4.1 The obligation to take back the Contractor's packaging is based on the statutory provisions. The goods must be packed in such a way that transport damage is avoided. Packaging materials shall only be used to the extent necessary to achieve this purpose. Only environmentally friendly packaging materials may be used. The transport packaging must be provided with the following instructions: Article description, article number, quantity, neutral or with an eibe form as specified by the Purchaser. The Contractor

is only allowed to mark the products with his own brand name if this has been agreed to in writing in advance by the Purchaser.

- 4.2 The dispatch has to be carried out according to the purchase order. Unless otherwise agreed in writing, delivery shall be DDP (Incoterms 2020) including unloading. The Contractor is obliged to insure the goods for transport.
- 4.3 The Contractor is obligated to properly mark all deliveries which are subject to marking requirements. The order confirmation, the invoice, and any and all shipping documents shall also contain the required marking.
- 4.4 As far as the delivered goods are not free of defects in terms of packaging and/or quality and this requires expenditure for sorting, repacking or labelling of the goods or the elimination of a qualitative defect, the resulting costs can be charged to you at the actual expenditure (currently 45.00 € net / per hour - this hourly rate can be adjusted by us according to the development of the general price control with a lead time of 2 months). Further claims are not included.
- 4.5 The delivery note shall be enclosed in every shipment as shipping document of delivery is made by vehicle, carrier or mail. In case of deliveries by train, the delivery note shall be sent by mail on the day of dispatch.
- 4.6 The Purchaser has the right to request detailed dispatch notes from Contractor in triplicate for each shipment, regardless of the type of dispatch at the latest on the day the delivery is dispatched.
- 4.7 Unless otherwise agreed, the Contractor is not entitled to make partial deliveries.
- 4.8 The Contractor may only assert a set off right or a right of retention if his counterclaim against the Purchaser has been established by a final and non-appealable decision or is undisputed.
- 4.9 The delivery time quoted in the purchase order is binding.
- 4.10 Acceptance by the Purchaser shall be decisive for the timeliness of Deliveries.
- 4.11 The timeliness and the completeness of the delivery are also subject to the provision of agreed material testing's as well as the handing over of documents to be delivered.
- 4.12 Time for delivery begins on the day the order is placed.
- 4.13 As soon as it becomes apparent to the Contractor that he will be unable to execute the purchase order or a part of it in due time, he shall notify the Purchaser of it without undue delay, stating the reasons and the anticipated duration of the delay.
- 4.14 If the Contractor does not provide the delivery or not in due time, the Purchaser may make use of his statutory rights. If the Contractor is in delay with the delivery, the Purchaser is entitled to claim a penalty for each commenced week of delay in the amount of 0.5% of the agreed net price of the part of the delivery which is delayed, but not to exceed 5 % of such net price, unless the Contractor is not at fault for the delay. The Purchaser reserves any and all further claims for damages. Paid penalties shall be credited to any further claims for damages. The Purchaser may also claim the penalty if he does not make any reservation upon the acceptance of the delivery; however, the Purchaser is only entitled to claim the penalty after the final payment if he reserves such right at the latest when he makes the final payment. Even if the Purchaser accepts the delayed delivery of the Contractor, the Purchaser is still entitled to demand the contractual penalty from the Contractor.
The contractual penalty shall be charged directly by way of a debit note at the discretion of the Purchaser.
- 4.15 The Contractor is obliged to use environmentally friendly products and processes for the deliveries/services and for subcontracted supplies or ancillary services of third parties within the scope of economic and legal possibilities. The Contractor is liable for the environmental compatibility of the delivered products and packaging materials and for all consequential damages resulting from the violation of the statutory disposal obligation. At the request of the Purchaser, the Contractor will issue a certificate of quality for the delivered goods free of charge.
- 4.16 In the event of delivery earlier than agreed, the Purchaser reserves the right to return the goods at the Contractor's expense. If the goods are not returned in the event of early delivery, they shall be stored at the Purchaser's premises at the Contractor's expense and risk until the delivery date. In the event of premature delivery, the Purchaser reserves the right to make payment only on the due date which would have been calculated for scheduled delivery.

5. Transfer of Risk, Acceptance

- 5.1 In case of deliveries without installation, risk shall pass to the Purchaser upon handing over of the delivery at the place of receipt. If

Deliveries include installation, risk shall pass to the Purchaser upon acceptance or, if acceptance is not required, upon handing over of the delivery.

- 5.2 The Purchaser may declare acceptance up to six weeks after the Contractor has notified him of the completion of the work.

6. Prices

- 6.1 The agreed price includes packaging, insurance, freight and storage costs and taxes as well as any and all other related costs, unless otherwise explicitly agreed upon.
- 6.2 The agreed prices are fixed prices. Both parties are entitled to demand negotiations on a price adjustment with a lead time of 3 months if the conditions have changed significantly as a result of changes in operational processes and/or boundary conditions. This must be done in writing with comprehensible facts.

7. Invoices, Payment

- 7.1 Invoices and all related documents and data shall be sent to the Purchaser in a separate document after delivery or performance to the e-mail address mentioned in the purchase order. They must not be attached to the shipments. Partial deliveries shall be designated as such in the invoice.
- 7.2 Payments will be initiated within 60 days, unless otherwise individually agreed upon. If the Purchaser pays within 14 days, he shall be entitled to a discount of 3 %. The term of payment begins once the Purchaser receives the entire delivery and a proper invoice. The Purchaser is entitled to cash discount deduction also if he executes a set off right or retains a reasonable amount due to defects.
- 7.3 The timeliness of payment depends on the performance of the Purchaser. The payment is made in cross-border payment transaction at your risk and expense. Payments made by the Purchaser do not imply any acknowledgement of invoicing, absence of defects, or timeliness of delivery.
- 7.4 If certificates on material tests have been agreed upon, they shall form an essential part of the delivery/service and shall be sent to us together with the invoice. However, they must be available to the Purchaser no later than 10 days after receipt of the invoice.
- 7.5 The Purchaser may, at his own discretion, demand security (e.g. bank guarantees) for advance payments to be made by him. If the Contractor fails to provide a security within a reasonable period granted to him the Purchaser may entirely or partially withdraw the contract. Any other rights of the Purchaser remain reserved.
- 7.6 In the event that the Contractor withdraws from the contract, interest is to be paid on payments received from the Purchaser at a rate of 9% above the respective key interest rate of the European Central since receipt of the payment.

8. Usage Rights, Ownership, Confidentiality and Replication

- 8.1 Results which are created by the Contractor or his auxiliary Contractors in the course of the execution of the Contractor's contractual duties, such as ideas, concepts, know how, inventions, recipes, specifications, software (hereinafter "Deliverables") shall be subject to the following: Any and all rights in Deliverables shall become the exclusive property of the Purchaser. The Contractor shall automatically transfer such rights, if transferable, to the Purchaser when they come into existence without need for any further declaration. To the extent that a transfer of the rights in the Deliverables is ruled out due to legal reasons, the Contractor grants the Purchaser, as soon as the Deliverables come into existence, the exclusive rights of use in the Deliverables, which shall be unlimited in terms of time, space and content. By granting the rights the Purchaser shall in particular be put into the position to use Deliverables which are protected by copy rights and ancillary copyrights without restrictions and to transfer or license such rights to third parties, also as exclusive rights, or to use them in cooperation with third parties. The transfer or the granting of such rights shall include any and all rights pursuant to Sections 15 et seq. German Copyright Act, in particular the right of reproduction and distribution, the right to make Deliverables available to the public, as well as in case of computer programs any and all rights pursuant to Section 69 c German Copyright Act, in particular the right to permanent or temporary reproduction, the right of translation, adaptation, arrangement, and any other alteration as well as the right to reproduce the realized results, any way of distributing an original or any reproductions (in consideration of the principle of exhaustion), as well as their lease, communication to the public, and making them available to the public. Furthermore, the Purchaser shall receive any and all exclusive ancillary rights

(pre-print and reprint, translation, etc.) for the duration of the main rights pursuant to the foregoing sentence. The Contractor waives his naming right and the right to make the Deliverables available to the public. The agreed price includes an adequate remuneration for the transfer or the granting of the rights pursuant to this Section 8.1. Any separate rights to claim remuneration shall be excluded, unless mandatory statutory provisions, in particular Section 32 c German Copyright Act, provide otherwise.

- 8.2 Unless the Purchaser already holds rights in the deliveries pursuant to Section 8.1, the Contractor shall grant the Purchaser and any associated companies of the Purchaser, the non-exclusive, transferable, worldwide, and perpetual right to use any and all deliveries in accordance with their intended use or to allow such use to third parties.
In case of software, this right shall include the right to rectify errors of the software or to have them rectified, and to download, display, run, transmit, store, reproduce permanently or temporarily, translate, adapt, arrange and otherwise alter the software for this purpose and to allow the use by external service providers to whom the Purchaser has outsourced IT services and work performances. Any further statutory or agreed rights of use shall remain unaffected.
- 8.3 The Contractor shall treat the documents as well as any business and trade secrets of the Purchaser (hereinafter "Information") as confidential. In particular, he is not entitled to forward information to third parties without the prior written approval of the Purchaser or to make it available to third parties. The Information shall be protected from unauthorized access or use. Without prejudice to any further rights, the Purchaser may demand the return of the Information if the Contractor is in breach of these obligations. To the extent that the Purchaser has given his approval to the sub-contracting of work, the respective third parties shall sign a corresponding written commitment. The obligation of secrecy shall remain in force for a duration of up to 10 years following the execution of the respective delivery. The obligation of secrecy shall not apply to the extent that such information was already known to the Contractor in the moment of the formation of the contract without this being based on an infringement of a confidentiality agreement or any statutory provisions. However, information, which was already known to the Contractor prior to the formation of the contract because the Purchaser revealed it to him, shall nonetheless be kept confidential.
- 8.4 The Contractor is obliged not to use the know how acquired within the scope of the contract with the Purchaser in the manufacture, assembly, or distribution of competitors' products. Any reproduction or use of the technical details or the product idea of products manufactured for the Purchaser for potential competitors' products is not permitted during the term of the contract and for a period of 5 years after termination of the supply contract for the respective product, even if no industrial property rights exist for the products. If the product had already been developed and produced by the Contractor for his own distribution or for third parties before our initial purchase order or development request, this shall only apply if the Purchaser has acquired the know-how for the development or the product idea from the Contractor or if an exclusive purchase for the product was or is agreed. In the event of a culpable breach of this obligation, the Contractor shall pay to the Purchaser for each culpable breach a contractual penalty of 50% of the last net annual purchasing volume of the Purchaser for the product concerned, but at least € 7,500.00. We expressly reserve the right to claim damages exceeding the contractual penalty, also in the form of higher notional lost license fees; contractual penalty payments shall be credited against the actual damage. This also applies in the event that the violation is committed by a third party employed by the Contractor.
- 8.5 Any reservation of title for the benefit of the Contractor shall have the legal effect of a simple reservation of title.
- 8.6 If the Contractor reserves ownership contrary to the contract, the Purchaser keeps his right to claim unconditional transfer of ownership, even if he accepts the delivery.
- 8.7 If the Purchaser provides the Contractor with materials so that the Contractor can fulfill his contractual obligations, the Purchaser reserves ownership of such materials (hereinafter "Reserved Goods"). Reserved Goods shall be stored separately, identified, and administrated by the Contractor, all free of charge. They may only be used for purchase orders placed by the Purchaser. Any processing of the Reserved Goods is carried out for the Purchaser as manufacturer. If the Contractor processes, combines, or mixes the Reserved Goods together with other material, the Purchaser shall be entitled to co-ownership of the newly created object in the ratio of the value of the Reserved Goods to the value of the other material that has been used. If the Purchaser's ownership extinguishes due to the processing, combination or mixing, the Contractor transfers, already at this moment, all of his ownership rights in the newly created object in the ratio of the value of the Reserved Goods to the value of the other material that has been used and stores them for the Purchaser free of charge.
- 8.8 The Purchaser reserves any and all title and copyrights to illustrations, drawings, calculations, recipes, specifications, and any other documents (hereinafter collectively "Documents"). Without the explicit written approval of the Purchaser, Documents may not be made available to third parties. They must be used exclusively for the purchase order; following the execution of the purchase order, the Contractor shall return them to the Purchaser unrequested.

- 8.9 The Contractor shall provide any and all Documents which the Purchaser needs for the installation, operation, maintenance, or repair of the delivery free of charge, in due time, and unrequitedly.
- 8.10 If services such as maintenance or repair work are agreed subject matters of the contract, the Contractor shall prepare minutes for each on-site service and provide the Purchaser with a copy of it.
- 8.11 The Purchaser has a rightful interest to review any and all inspection and test reports of the Contractor, which concern a delivery made to the Purchaser. The Contractor is obligated to allow such review.
- 8.12 The Contractor may only publicly announce his business relations with the Purchaser if the Purchaser has given his prior written approval.

9. Proof of origin, long-term supplier's declaration

- 9.1 The Contractor undertakes to submit a long-term supplier's declaration each year, stating the country of origin of the items he supplies (ISO ALFA II code). In the event that the country of origin of an article changes in the course of the existing business relationship, a negative pledge must be issued with a separate letter to the Purchaser.

10. Liability for Defects

- 10.1 The Purchaser will only examine if the goods comply with the ordered amount and type, if there are externally obvious transportation damages and any other obvious material defects. The Purchaser is not obliged to observe any further duties to examine the goods. A notification of an obvious defect is made without undue delay if it is declared within a period of two weeks following the receipt of the delivery. A notification of a hidden material defect is made without undue delay if it is declared within two weeks after its discovery. This Section 10.1 shall only apply to sales contracts and within the scope of commercial transactions.
- 10.2 Deliveries and services must comply with the latest state of science and technology, the relevant legal provisions and the regulations and guidelines of authorities, professional associations and trade associations in Germany and, if you are informed of a country other than the country of destination, also in that country of destination of the goods. If it should turn out that for legal reasons it is not possible to sell the goods at the place of destination, the Contractor shall take back the goods concerned free of charge against a reimbursement of the purchase price and all costs incurred by the Purchaser. If deviations from these regulations are necessary in individual cases, you must obtain our written approval. Your liability for material defects is not limited by this approval. If the Contractor has reservations about the type of execution requested by the Purchaser, the Contractor must inform the Purchaser in writing without delay. The technical documents must be checked by the Contractor immediately for their factual and technical correctness. Any objections must be notified to us in writing immediately after receipt. The Contractor is fully liable for incorrect reproduction.
- 10.3 Agreed power/capacity and consumption data of a machine delivered by the Contractor constitute an agreed quality and an independent warranty/guarantee.
- 10.4 If the delivery is defective, the Purchaser may, irrespective of any other rights, request either remedy of the defect or new delivery or re-manufacturing (hereinafter collectively "Cure") at its own discretion. Place of performance of the Cure shall be the place where the defective delivery is located. The Contractor shall bear the costs of the Cure.
- 10.5 To the extent that the defective goods are, as agreed, picked up by the Purchaser or any third party commissioned by the Purchaser, the Contractor shall bear the costs and the risk of the backhaul.
- 10.6 If the Contractor fails to carry out the Cure within a reasonable grace period granted for this purpose, the Purchaser shall be entitled, irrespective of any other rights, to remedy the defect himself or to commission a third party with remedying the defect at the expense of the Contractor. In case of imminent danger or particular urgency, the Purchaser shall also be entitled to remedy the defect himself or to commission a third party with the remedy of the defect at the expense of the Contractor without having to grant a grace period. To the extent that it is possible and reasonable, the Purchaser shall inform the Contractor about the respective defects in advance.
- 10.7 Any further rights of the Purchaser remain unaffected.
- 10.8 Claims of the Purchaser based on defects shall become time-barred within three years after the statutory commencement of the limitation period, unless the law prescribes a longer limitation period.

- 10.9 The Contractor shall be liable for any work carried out in order to remedy defects or for a new delivery or re-manufacturing to the same extent as for the initial delivery. Deliveries, which were repaired or re-executed due to a remedy of a defect, shall be subject to a new and independently running limitation period of 24 months for claims based on defects; this shall not apply if the Contractor remedies the defect without acknowledging any legal obligation to remedy the defect. However, should the initially applicable and remaining limitation period be longer, such limitation period shall remain applicable. The statutory provisions regarding the suspension and the new commencement of the limitation period shall remain unaffected.
- 10.10 The Contractor shall indemnify and hold harmless the Purchaser from any and all third party claims which the third party asserts against the Purchaser, based on the third party's assertion, due to defective delivery made by the Contractor for which the Contractor is at fault for; the Contractor shall also indemnify and hold harmless the Purchaser from any and all expenses which the Purchaser necessarily has to bear out of or in connection with such claims asserted by the third party.
- 10.11 The Contractor guarantees that all deliveries and/or services are free of third party industrial property rights or other defects of title and in particular that patents, design patents, trademarks, licenses or other third party rights are not infringed by the delivery and use of the delivery items.
- 10.12 If it becomes apparent within the framework of the quality assurance measures or within the framework of the quality or incoming goods inspection of the Buyer that there is a serial defect (irrespective of whether it is a design defect or a manufacturing defect) which exceeds the limits specified in the quality assurance agreement, the Purchaser is entitled to declare the delivery lot as a whole to be defective and to reject it and, at the free discretion of the Purchaser, to cancel future purchase orders already firmly ordered or to demand additional quality assurance measures from the Vendor. The costs of these measures shall be borne by the Vendor.
- 10.13 The Contractor undertakes that the delivery/service provided by him has not been produced and/or processed by exploitative child labour as defined by ILO Convention No. 182.

11. Spare Parts

- 11.1 The Contractor must keep spare parts available for us at market prices for the expected service life of the contractual products, at least for 5 years from the respective delivery date. The Contractor guarantees the availability of spare parts within 7 working days for the expected lifetime of the contractual products, yet at least for 7 years from the respective delivery date.

12. Guarantee of Quality

- 12.1 The specifications laid down shall be considered as guaranteed for the object of the delivery or service in the sense of the BGB. All technical documentation (e.g. certificates, assembly instructions, etc.) shall be submitted to the Purchaser without being requested to do so.

13. Product Liability Insurance

- 13.1 The Contractor is obliged to take out and maintain product liability insurance with an appropriate coverage for personal injury and property damage. The Contractor is obliged to inform the Purchaser of the scope and amount of cover on request. If the Purchaser is entitled to claims, exceeding the amount of cover agreed by the Vendor, these shall remain unaffected.
- 13.2 The Contractor is obliged to indemnify and hold harmless the Purchaser from any and all third party claims arising from product liability if and to the extent that the Contractor is responsible for the product in accordance with product liability law principles. Further statutory claims of the Purchaser shall remain unaffected.

14. Changes

- 14.1 Contractor shall not change any process, material, or manufacturing location without prior written notification and approval of Purchaser.

- 14.2 Process changes include but are not limited to:
- Changes of product specification
 - Changing of sub-suppliers
 - Moving production to a different but similar machine
 - Relocation of manufacturing equipment within a facility, or relocation to an alternate facility
 - Changing key process parameters as defined by Contractor and/or Purchaser
 - Combining processes to streamline manufacturing
 - Outsourcing production to a sub-supplier
 - Addition of tooling to increase capacity
 - Substantive changes to testing procedures or COA reports.
- 14.3 No testing method or testing standard shall be changed or eliminated without prior written notification and approval of Purchaser.
- 14.4 The Contractor would modify/correct criteria and/or deviations from criteria only after informing the Purchaser, and his explicit approval.
- 14.5 The Contractor shall provide at least two (2) years' advanced written notice of a proposed discontinuation in the manufacturing of any good sold to Purchaser. In the event that the discontinuation of the manufacturing of a good becomes inevitable, in addition to providing the above notice, Contractor shall allow Purchaser to make a last-time purchase of at least one-year's supply of the goods.
- 14.6 The Purchaser may demand changes to the delivery item or the agreed service even after the contract has been concluded, provided that this is reasonable for the Contractor. Any modification of the delivery item or the agreed performance shall require the prior approval of the Purchaser. Any additional or reduced costs shall be borne by the party responsible. This shall also apply in the case of faulty documents.

15. Final Provisions

- 15.1 To the extent that these General Purchase Conditions require written form, text form (letter, fax, email, etc.) shall be sufficient for the written form requirement.
- 15.2 Should any individual provision of these Purchase Conditions or of any contract be or become invalid, the validity of the other provisions shall remain unaffected.
- 15.3 Place of performance for any and all obligations of the Purchaser and the Contractor arising out of the contract shall be the registered office of the Purchaser. Exclusive place of jurisdiction for any and all disputes arising from or in connection with the purchase order shall be Würzburg; this shall also apply to special procedures deciding claims arising out of a bill of exchange and summary procedures where plaintiff relies entirely on documentary evidence. However, the Purchaser shall also be entitled to take legal action against the Contractor at the Contractor's place of general jurisdiction or before any other competent court.
- 15.4 The relationships between the Purchaser and the Contractor shall be subject to the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.
- 15.5 The Purchaser, as well as the Contractor, will treat the Contractor's personal data in accordance with the law of protection of data privacy.