



## General Terms and Conditions (GTC)

### PART A General

#### 1

#### Scope

1. Both deliveries and services to as well as orders and services from companies within the AZ Group, which are listed in the appendix to these GTC, are provided exclusively on the basis of these GTC.
2. Any varying, conflicting or supplementary general terms and conditions of the contractual partner shall not become part of the contract – even where such are known or delivery and services are unconditionally accepted or deliveries and services are unconditionally performed.
3. These GTC apply to all current and future business relationships, even if they are not expressly referred to in individual cases. They apply exclusively to entrepreneurs within the meaning of section 310 (1) BGB [German Civil Code].
4. If provisions of these GTC contradict other agreements with a company of the AZ Group and its respective contractual partner, the following order of precedence applies:
  - a) Framework agreement including the documents to which a framework agreement refers
  - b) Quality assurance agreement
  - c) Separate, product-specific agreements, which expressly exclude the validity of general terms and conditions
5. The assignment or pledging of claims from all contracts with a company of the AZ Group shall only be effective with that company's express written consent.





6. Every company in the AZ Group is entitled to assign claims against a contractual partner to third parties.

## 2

### Code of Conduct

We feel bound by the code of conduct of the BME Code of Conduct, which is based on the 10 principles of the UN Global Compact. We expect our contractual partners and their contractual partners in turn to recognise that Code of Conduct and act in accordance with it as we do.

### PART B General Terms and Conditions of Purchase (GTCP)

## 1

### Offer, order, ownership of documents

1. Offers shall be prepared free of charge for us, shall be binding and must be made in writing.
2. Orders, contracts and delivery calls as well as any amendments and addenda thereto must be made in writing.
3. Any verbal agreements made before, during or after the conclusion of the contract, in particular subsequent changes and addenda to these Terms and Conditions of Purchase as well as ancillary agreements of any kind, require the written confirmation of the respective company of the AZ Group to be effective. In the following, the contractual partner shall be referred to as the “**purchaser**”
4. If the supplier does not accept an order via an order confirmation, it must provide the purchaser with an order confirmation within three days of acceptance. If the supplier does not accept an order within one week of receipt, the purchaser is entitled to revoke it.
5. If the supplier does not accept an order unconditionally and unchanged, but submits an offer that deviates from our order, a contract will only come into existence once it is confirmed by us in writing.





6. If successive delivery contracts of any kind are in existence between the supplier and the purchaser, in particular contracts for delivery by instalment and contracts for call orders, and it has been agreed that the purchaser will call off the supplier's products by means of a unilateral declaration (call orders), a call order shall be deemed to have been accepted if the supplier does not object within one week receipt of a call order in text form. This does not apply if the call order includes a shorter delivery period than the minimum delivery period agreed in the successive delivery contract or a larger quantity than the maximum quantity for an individual call order agreed in the successive delivery contract.
7. We reserve all property rights and copyrights to images, drawings, calculations and other documents. They may not be made accessible to third parties without our express written consent. They are to be used exclusively for production based on our order. After the end of the business relationship, all documents must be voluntarily returned to us. They are to be kept secret from third parties.

## 2

### **Delivery and delivery default**

1. The delivery dates specified in the order are binding unless otherwise agreed and the supplier has accepted the order.
2. The supplier is obliged to notify the purchaser in writing without undue delay if circumstances arise or it becomes aware of such that indicate that the agreed delivery time cannot be adhered to. The receipt of the goods at the purchaser's delivery facility or at the place of delivery specified by the purchaser is material for determining compliance with the delivery date.
3. The purchaser is entitled to bring statutory claims in the event of delivery default. In particular, the purchaser is entitled to demand compensation for damages instead of performance and withdrawal after a reasonable grace period has expired without avail. If the purchaser demands compensation, the supplier has the right to prove that it is not responsible for the breach of duty.





4. In the event of default, the purchaser is entitled to demand liquidated damages amounting to 0.5 percent of the value of the delayed delivery/service per full week, up to a maximum of five percent of the total order value. The liquidated damages will be added to the total asserted damage caused by the default. The reservation of the contractual penalty may be declared to the supplier within one week of receipt of the delayed service. The right to make further legal claims is hereby expressly reserved.
5. The unconditional acceptance of the delayed delivery or service shall not give rise to any waiver of claims for compensation and contractual penalties to which the purchaser is entitled due to the delayed delivery or service.
6. Partial deliveries are generally not permitted unless the purchaser has expressly consented to them.

### 3

#### **Prices, terms of delivery and payment**

1. The price shown in the order is binding and includes VAT at the statutory rate, unless otherwise stated.
2. All deliveries shall be made with freight and other charges prepaid, including the costs for packaging, and at the supplier's risk to the acceptance point specified by us. (DDP-Delivered Duty Paid, ICC Incoterms 2020)

We shall not bear any costs for transport insurance unless this has been expressly otherwise agreed.

3. All invoices are to be sent to us in digital form without undue delay. Our order number must be stated in the invoices. The invoice must meet the requirements of Section 14 of the German UStG [VAT Law].
4. Unless otherwise agreed, payments shall be made within 14 days of receipt of an invoice in accordance with paragraph 3 with a three percent discount or within 30 days net.





5. The respective purchaser is entitled to rights of set-off and retention to the extent permitted by law.
6. Subsequent introductions of and increases in public charges and taxes, freight costs, wages, materials or other factors contributing to price shall be borne by the supplier.

#### 4

### **Liability for defects**

1. All deliveries or services are to be provided to the purchaser free of material and legal defects. They must correspond to the agreed quality.
2. The purchaser shall have the benefit of the full statutory claims for defects. In any event, the purchaser is entitled to demand that the supplier either rectify these defects or else deliver a new item, as we choose. The right to compensation, in particular the right to compensation instead of performance, is expressly reserved.
3. The purchaser is entitled to remedy the defect himself or to have it carried out by a third party at the expense of the supplier if the supplier does not comply with a request for improvement within the set period or is in default.
4. In principle, the purchaser has the right to choose the type of supplementary performance. The supplier may refuse the type of supplementary performance chosen by the purchaser if such is only possible at disproportionate expense.
5. Unless otherwise agreed, the limitation period for claims for defects is three years, starting from the transfer of risk. This is without prejudice to any longer statutory limitation periods.
6. For each warranty case, the supplier must pay a fixed compensation fee of €50.00 net to the respective purchaser. A warranty case shall be deemed to be any delivery or partial delivery of a product on a calendar day, regardless of how many parts of a product are defective.





The purchaser reserves the right to claim further damage. The supplier is permitted to prove that the purchaser has suffered less or no damage.

7. Deliveries must be made in compliance with EU Directive 2011/65/EG (“RoHS”) on the restriction of the use of hazardous substances and in compliance with Art. 59 (1) and Art. 33 of Regulation (EC) No. 1907/2006 (“REACH”). The supplier must inform the purchaser of the registration number of the substances subject to registration without undue delay upon submission of the offer, and at the latest upon delivery. A delivery shall be considered defective if no notification has been made and the delivery contains a substance that is subject to registration.

## 5

### **Product liability, indemnity and liability insurance coverage**

1. Insofar as the supplier is responsible for product damage, it is obliged to indemnify the purchaser against third party claims for damages upon first request where the cause is within its sphere of control and organisation and it is personally liable to the purchaser or third parties in the external relationship.
2. Within the scope of its liability for damage within the meaning of paragraph 1, the supplier is also obliged to reimburse any expenses resulting from or in connection with a recall campaign carried out by the purchaser. The purchaser shall inform the supplier about the content and scope of the recall measures to be carried out - as far as is possible and reasonable - and give him the opportunity to comment. This is without prejudice to any other statutory claims accruing to us.
3. The supplier undertakes to maintain product liability insurance with a coverage of €10 million per instance of personal injury and property damage – all-inclusive. This is without prejudice to any further claims for damages the purchaser is entitled to bring. Evidence of such insurance must be provided at the purchaser’s request.



**Property rights**

1. The supplier guarantees that no rights of third parties, in particular patent and trademark rights as well as designs and other commercial property rights, are infringed nationally or internationally in connection with its delivery.
2. If claims are made against the purchaser on such grounds by a third party, the supplier is obliged to indemnify the purchaser against these claims. If the purchaser concludes a settlement or a comparable agreement with the third party in order to avoid a legal dispute or in the context of a legal dispute, this shall only bind the supplier if it agrees to the agreement beforehand.
3. The supplier's indemnification obligation relates to all expenses that the purchaser necessarily incurs from or in connection with claims by a third party.
4. The limitation period is three years, starting from the transfer of risk.

**Retention of title, provision, tools and confidentiality**

1. Items provided by the purchaser to the supplier, as well as documents, samples, models, data etc., shall remain the property of the purchaser. The processing, conversion or installation of items provided to the supplier by the purchaser shall be performed on behalf of the purchaser. If such processing, conversion or installation results in an inseparable combination or blending of the purchaser's items to or with items belonging to the supplier or a third party, the purchaser shall acquire co-ownership of the new item in proportion to the value of the item provided to the other items contained in the new item at the time of the loss of title. If the combination, blending or processing is performed in such a way that the purchaser's item is to be regarded as the main item, it is agreed that the supplier shall transfer sole ownership of the new item to the purchaser. The supplier shall secure sole ownership or joint ownership on behalf of the purchaser.



If the security rights to which the purchaser is entitled as described above exceed the purchase price of all the reserved goods not yet paid by the purchaser by more than ten percent, the purchaser is obliged to release the security rights of its choice at the supplier's request.

2. Retention of title by the supplier is not recognised.
3. The ownership of tools and devices is expressly reserved. The supplier is also obliged to use the tools exclusively for the production of the goods ordered by the purchaser. The supplier is obliged to adequately insure the tools against fire, water and theft at its own expense at replacement value. At the same time, the supplier hereby assigns all claims for compensation from this insurance. The supplier is obliged to carry out any necessary maintenance and inspection work as well as all maintenance and repair work on the tools at its own expense. The supplier must report any incidents immediately.
4. The supplier is obliged to keep secret all illustrations, drawings, calculations and other documents and information received. They may only be disclosed to third parties with the express consent of the purchaser. The confidentiality obligation also applies after this contract has been completed. It expires if and to the extent that the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents has become generally known.
5. Upon termination of the business relationship, the supplier undertakes to return all documents within the meaning of para. 4 and items provided without undue delay.

## 8

### **Declaration of origin, export control**

1. If necessary, the supplier shall provide the purchaser with a supplier's declaration or all other documents required by the customs administration or another authority in accordance with Implementing Regulation (EU) 2015/2447 free of charge.





2. The supplier must meet all requirements of the applicable national and international foreign trade law.
3. All expenses and damage that the purchaser incurs as a result of a breach of the above obligations are to be borne by the supplier, unless the supplier is not responsible for the breach of duty.

## **PART C General Terms of Delivery (GTD)**

### **1**

#### **Delivery and delivery time**

1. Cost estimates, drawings and other documents within the scope of the planning of the work shall remain the property of the seller, even if they are transferred. The seller retains all copyrights thereto. The documents may not be reproduced or made accessible to third parties without the seller's written consent. This also applies to electronic storage media or other types of data and information carriers. The documents forming part of the seller's offers and/or order confirmations, in particular images, as well as performance and weight specifications, are authoritative within the scope of customary deviations, unless separately and expressly agreed otherwise.
2. Delivery times are non-binding unless otherwise agreed. If a delivery time has been expressly agreed, the fulfilment of this delivery obligation by seller requires the customer's obligation to be fulfilled in a timely and orderly manner. The exception of the unfulfilled contract remains reserved. The delivery period begins with the dispatch of our order confirmation, albeit not before all permits and documents that are necessary for the execution of the order are available and all material questions have been clarified. The delivery deadline is deemed to have been met if the ordered items are dispatched on time.
3. The customer can withdraw from the contract if fulfilment of the contract becomes impossible or if the seller is in default, unless the seller effects the delivery within a reasonable grace period set by the customer.





Withdrawal is to be declared in writing and immediately after the reason for the withdrawal occurs.

4. Claims for damages by the customer due to late delivery or non-performance are hereby excluded, unless the seller is guilty of wilful intent or gross negligence with regard to material contractual obligations.
5. If the customer is in default of acceptance or violates other obligations to cooperate, the seller is entitled to demand compensation for the damage it incurs as a result, including any additional expenses. The seller is also entitled to withdraw from the contract and to demand compensation for non-performance if the customer remains in default of acceptance. A deadline is not required if the customer definitively refuses to accept the goods.
6. The items ordered shall be dispatched at the customer's expense, in the agreed manner (ex works, free German border, FOB, CIF etc.). The seller assumes no liability choosing the cheapest shipping method. The customer shall bear the packaging costs as well as all expenses for transport insurance taken out at its request. Boxes and crates will be charged to the customer at cost and will not be taken back.
7. Part deliveries are also permitted without an explicit agreement.
8. Risk shall pass to the customer no later than the point at which the delivery leaves the seller's facility or the commissioned warehouse. If dispatch is delayed despite our readiness for dispatch for reasons for which the seller is not responsible, the risk shall transfer to the customer no later than the point at which readiness for dispatch is given. This also applies if partial deliveries are made or the seller has assumed responsibility for other services, e.g. shipping costs or delivery. If an acceptance needs to take place, this shall be material for the transfer of risk. It must be carried out immediately on the acceptance date, alternatively after the seller's notification of readiness for acceptance. The customer may not refuse acceptance in the event of a minor defect.





9. The customer is obliged to issue an entry certificate upon receipt of the goods and to send it free of charge. The document must meet the requirements of section 4 (1b) UStG, section 6 a UStG in conjunction with section 17 a UStDV [German Turnover Tax Implementing Regulation].

## 2

### Prices

1. The prices on the day the contract was concluded shall apply if there are less than four months between the conclusion of the contract and the agreed delivery date. If a delivery period of more than four months has been agreed, the seller is entitled to pass on any cost increases in the price, in particular any increases in material and wage costs. The higher price on the day of delivery then applies. In transactions with commercial entities, the seller is entitled to pass on increases in manufacturing or acquisition costs via the price, in particular increases in material and wage costs, while maintaining the amount of its margin, up to the day of delivery. There shall be no entitlement to a price increase if the delivery delays were demonstrably caused by the seller. There shall further be no such entitlement if the change in the manufacturing or acquisition costs does not amount to at least 50 percent of the manufacturing and acquisition costs on the basis of which the price was agreed. The seller shall provide evidence of the reasons for the price adjustment and the calculation of the amount upon request.
2. In the absence of a special agreement, the prices apply ex works including loading at the facility, but excluding packaging and unloading. Value Added Tax at the respective statutory rate is added to the prices.

## 3

### Payment and default

1. Unless otherwise agreed, the purchase price is payable within 14 days of the invoice date (dispatch date) with a two percent discount or within 30 days of the invoice date (dispatch date) net without deduction in cash or by transfer to our accounts.





2. Any set-off against our claims or corresponding rights of retention of the customer shall be excluded, unless these are undisputed or have been legally established.
3. If the seller becomes aware of an unfavourable financial situation or a deterioration in the customer's financial situation after the conclusion of the contract, the seller is entitled, regardless of previous agreements, to demand immediate full payment of the purchase price or adequate security or, if the customer does not comply with the seller's request, to demand compensation or to withdraw from the contract after giving prior warning or setting a grace period. This is especially true if we become aware of a reason for bankruptcy.
4. The seller is entitled to assign claims against the customer to third parties.
5. If the customer is in arrears with the payment of a claim, all of the seller's claims against the customer can be made due immediately.
6. The customer must bear all fees, costs and expenses incurred by the seller in connection with any legally successful legal action taken against it outside of Germany.

#### 4

#### **Retention of title**

1. The seller reserves title to the purchased item until all claims from the business relationship with the customer have been paid in full.
2. If the customer acts in breach of contract, in particular in the event of default in payment, the seller is entitled to demand surrender of the purchased item. If the seller takes back the purchased item, a withdrawal from the contract shall only apply if the seller notifies the customer of this in writing. After taking back the purchased item, the seller is authorised to dispose of it; the proceeds from the sale shall be offset against the customer's liabilities, less reasonable disposal costs.





3. The customer is obliged to treat the purchased item with care. If the customer is a merchant, he has to insure the purchased item sufficiently at its replacement value against fire, water and theft at his own expense.
4. The seller remains the owner of the goods, regardless of the processing stage or form in which they find themselves. An acquisition of ownership by the customer pursuant to section 950 BGB is excluded. The customer shall acquire any property for on the seller's behalf and shall store all goods on its behalf. If the seller's goods are mixed or combined with the customer's movable property, the customer shall hereby transfer ownership or co-ownership of the blended or combined objects to the seller and store them carefully for seller. The customer is only entitled to combine the seller's goods with property after all claims from the business relationship with the seller have been settled. If the combination is made anyway, then Section 951 of the German BGB applies. Contractual claims, and in particular claims for damages, remain unaffected.
5. The customer must notify the seller without undue delay in the event of seizures or other interventions by third parties so that the seller can take legal action in accordance with section 771 ZPO [German Code of Civil Procedure]. If the third party is unable to reimburse the seller for the judicial and extrajudicial costs of a lawsuit in accordance with section 771 ZPO, the customer is liable for the costs the supplier incurs as a result of the lawsuit.
6. The customer is entitled to resell the purchased item in the ordinary course of business. It hereby assigns to the seller all claims in the amount of the final invoice amount (including VAT) of its claim that arise from the sale of a works delivery or a comparable legal relationship against its customers or third parties. This applies irrespective of whether the seller's goods have previously been processed, mixed or combined with movable objects. The seller hereby accepts this assignment. The customer remains revocably authorised to collect this claim even after the assignment. This is without prejudice to the seller's authority to collect the claim itself. However, the seller undertakes not to collect the claim as long as the customer meets its payment obligations from the proceeds received,





does not default on payment and in particular does not apply for the opening of insolvency proceedings. Should this be the case, however, the seller may demand that the customer notify the seller of the assigned claims and their debtors, provide all information required for collection, hand over the associated documents and notify the debtors of the assignment.

7. The seller undertakes to release the security to which it is entitled at the customer's request, insofar as the realisable value of its securities exceeds the value of the claims to be secured by more than 20 percent. The choice of securities to be released is incumbent upon the seller.

## 5

### **Assurance of properties and liability for defects**

1. The assurance of certain properties is only given if the properties are expressly included in the contract. The seller reserves the right to improve and optimise the quality of its products. A reference to DIN standards includes the more detailed description of the goods, but no guarantee of properties. The delivery of samples or test pieces is non-binding and only represents an assurance of properties if this has been expressly agreed in writing.
2. If the transaction is a commercial purchase, the customer's claims for defects presuppose that the customer has properly complied with its inspection and complaint obligations in accordance with section 377 HGB [German Commercial Code]. The purchased item must be checked immediately for material defects and transport damage. Complaints must be made within five working days. The period begins when the goods have been accepted by the customer. This is without prejudice to the statutory warranty rights for transactions that are not commercial purchases.
3. If there is a defect in the purchased item, the customer is initially only entitled to request supplementary performance in the form of either rectification of the defect or else the delivery of a new, defect-free item.





In the case of rectification of defects or replacement delivery, the seller is obliged to bear all expenses necessary for the purpose of supplementary performance, in particular transport, travel, labour and material costs, insofar as these are not increased by the fact that the purchased item has been brought to a location other than the place of performance.

4. If the supplementary performance fails or if the seller rejects it because it entails disproportionate costs, the customer is entitled, at its option, to withdraw from the contract or else to demand a reduction in the purchase price. This is without prejudice to the seller's rights due to impossibility of performance.

## 6

### Joint liability

1. The seller shall only pay damages or compensation for futile expenses, regardless of the legal reason (e.g. from legal or quasi-legal obligations, material and legal defects, breach of duty and tort) to the following extent:
  - a) Liability for intent, fraudulent intent and guarantee is unlimited.
  - b) In the event of gross negligence, the seller is liable in the amount of the typical damage that was foreseeable at the time the contract was concluded.
  - c) In the event of a simple negligent breach of a material contractual obligation (obligation, the fulfilment of which is essential for the proper execution of the contract, the observance of which the customer regularly relies and may rely on and the violation of which jeopardises the achievement of the purpose of the contract), the seller is liable up to the amount of the typical damage that was foreseeable at the time the contract was concluded, but no more than the amount of the insurance to cover the risk potential.
2. The seller reserves the right to advance the defence of contributory negligence.
3. In the case of injury to life, body and health as well as claims under the German Product Liability Act, the statutory provisions apply without restriction.



**Data privacy**

We would like to point out that the data received about the customer in relation to the business relationship or in connection with it, regardless of whether such data comes from the customer itself or from third parties, will be stored and processed in compliance with the requirements of the German Federal Data Protection Act.

**PART D Final provisions**

1. The place of jurisdiction for all legal disputes is Olbernhau. However, the purchaser or seller is also entitled to sue the supplier or customer at the court at the place of its registered office, its branch or at the court of the place of performance.
2. Unless otherwise stated in our order confirmation, the place of performance is Olbernhau.
3. If our partner (supplier, customer) does not have a registered office in Germany, all disputes that arise from these general terms and conditions or any legal relationships based on these terms and conditions shall be conclusively decided in accordance with the rules of arbitration of the International Court of Arbitration (DIS) with the exclusion of ordinary legal recourse. The arbitration tribunal consists of three persons, the place of arbitration is Chemnitz, and the language of the arbitration tribunal is German.
4. The law of the Federal Republic of Germany shall apply exclusively. The validity of UN sales law is hereby excluded.
5. Should individual provisions of these general terms and conditions be or become ineffective, this shall not affect the validity of the remaining provisions. The parties undertake to replace the ineffective provisions with those that most closely resemble the ineffective provisions in economic terms.
6. Deviations from the contractual rulings and side agreements must be made in writing. This also applies to a waiver of the requirement for the written form.



7. Only the German language version is authoritative for the interpretation of these general terms and conditions.

Olbernhau, 18 February 2022

