

Conditions of Purchase

1. General and scope of Application

Our Conditions of Purchase shall apply exclusively; we do not recognise any terms and conditions set by the seller („Supplier“) that conflict with or deviate from these unless we have expressly agreed to their validity in writing. Our Conditions of Purchase shall also apply if we accept the ordered delivery without reservation in the knowledge of terms and conditions of the Supplier that conflict with or deviate from our Conditions of Purchase. Our Conditions of Purchase shall furthermore apply to all future orders placed with the Supplier.

1.2 Our Conditions of Purchase shall only apply vis-à-vis entrepreneurs within the meaning of § 14 of the German Civil Code (BGB).

2. Offer and Offer documents

2.1 The Supplier is obligated to accept our order without delay, at the latest, however, within a period of three days after receipt and confirm writing.

2.2 We reserve copyrights and ownership rights to illustrations, plans, drawings, calculations, execution instructions and other documents; these may not be made accessible to third parties without our express written consent. They are to be used exclusively for manufacture based on our order (and any subsequent orders); after processing the orders, the Supplier is required to return the documents without delay upon our written request and to delete any digital copies unless the Supplier is subject to any statutory retention requirements. The Supplier has no right of retention regarding these documents. These documents must be kept confidential in accordance with clause 13.

2.3 Our orders are only considered binding to us and an offer in accordance with Section 145 of the German Civil Code when in writing.

2.4 If the binding offer of the Supplier in accordance with Section 145 of the German Civil Code (BGB) is based on a non-binding enquiry submitted by us, the offer of the Supplier must correspond to the non-binding enquiry; any deviations must be highlighted in the written offer.

2.5 Partial performance is only permitted if this has been expressly agreed in our orders.

3. Prices and Terms of Payment

3.1 The agreed prices include everything that the Supplier has to effect towards us in order to fulfil his obligation to deliver and perform. In case of successive delivery contracts, the Supplier shall

be obligated to pass on to us any price reductions for the required production material and/or of the respective market for similar goods that occur between the order and delivery.

3.2 The price stated in the order is binding. Unless otherwise agreed in writing, the price includes delivery „Delivered At Place“ (DAP; Incoterms 2020) including packaging. Packaging will only be returned if specifically agreed in writing.

3.3 The agreed prices are net prices plus statutory value added tax, which shall be shown separately on the invoice.

3.4 Payments are due either with a 3% discount within 14 days of the receipt of the goods and invoice or in full within 30 days of the receipt of the goods and invoice. In case of bank transfer, payment shall be deemed to have been made on time if our transfer order is received by our bank before the expiry of the payment term; we shall not be responsible for any delays caused by the banks involved in the payment process.

3.5 We do not owe any interest on maturity. The statutory provisions shall apply to default in payment.

3.6 We are entitled to exercise our rights of set-off and retention as well as the defence of non-performance of the contract to the extent provided by law. In particular, we are entitled to withhold payments due as long as we are entitled to claims against the Supplier arising from incomplete or defective performance.

4. Delivery, Delivery Periods and Delays

4.1 The delivery includes all parts listed in the order and the necessary technical and service documentation.

4.2 The Supplier is obliged to inform us promptly in writing if a delivery is no longer possible so that a final disposition can be reached.

4.3 The delivery period stated in the order shall be binding. Early delivery/partial deliveries are only permissible with our written consent if a corresponding value date is set. Considering a notice period of two weeks, we are entitled vis-à-vis the Supplier to change agreed delivery dates at our reasonable discretion.

4.4 Decisive for compliance with the agreed delivery time is the receipt of the delivery at the agreed delivery point.

4.5 In accordance with the statutory provisions, the Supplier shall be liable in particular for ensuring that the goods

have the agreed quality at the time of transfer of risk to us. In any case, the product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective agreement or have been included in the agreement in the same way as these Conditions of Purchase shall be deemed to be an agreement on the quality. It makes no difference whether the product description originates from the Supplier, the manufacturer or us.

5. Supply of Spare Parts

The Supplier shall be obligated to execute spare parts orders for a minimum period of at least seven years following the final delivery for series production.

6. Transfer of risk, documents, transport insurance

6.1 Unless otherwise agreed in writing, delivery shall be made „Delivered At Place“ (DAP; Incoterms 2020).

6.2 The delivery shall be accompanied by a delivery note. The Supplier is obligated to state our exact order number as well as the date (issue and dispatch) and content of the delivery on all shipping documents or delivery notes; if the Supplier fails to do so, we shall not be responsible for the resulting delays in processing. The Supplier shall provide us with a corresponding dispatch note with the same content separately from the delivery note.

6.3 The Supplier shall bear the transportation risk. This shall also apply if we bear the costs for transportation or any insurance.

7. Retention of Title

7.1 The Supplier shall not be entitled to any further retention of title rights vis-à-vis us other than the simple retention of title.

7.2 The parts and documents provided by us for manufacturing remain our property. The processing of materials and the assembly of parts shall be carried out on our behalf. The Supplier shall grant us co-ownership of the products manufactured using our parts or materials in the ratio of the provision to the value of the manufactured object.

8. Quality and Documentation

8.1 The Supplier guarantees a product quality that corresponds to the current technical state of the art, taking into account the relevant technical standards and statutory regulations.

8.2 In accordance with the statutory provisions, the Supplier shall be liable in particular for ensuring that the goods

have the agreed quality at the time of transfer of risk to us. In any case, the product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective agreement or have been included in the agreement in the same way as these Conditions of Purchase shall be deemed to be an agreement on the quality. It makes no difference whether the product description originates from the Supplier, the manufacturer or us.

8.3 The Supplier must inform us in good time of any changes, improvements and further developments to the delivery item. In this context, the essential technical differences between the previous version of the delivery item and the modified version shall be emphasised in writing.

8.4 Any modification of the delivery item requires our prior written consent. The first delivery after a change shall be marked specially by the Supplier in writing.

8.5 The Supplier shall test the ordered items in accordance with the tests, test equipment and test methods prescribed by us and prepare corresponding test records. The test records shall be kept by the Supplier for at least eight years after receipt of the last delivery and the last invoice and shall be submitted to us if requested.

8.6 We are entitled to inspect the Supplier's inspection and testing records at any time. Furthermore, we are authorised to inspect the production facilities and to point out any production defects. This shall be done considering a notice period of one week. The Supplier may refuse the inspection of the control and testing records or the testing of the production only for good cause.

9. Notification of Defects, Liability for Defects

9.1 The statutory provisions (§§ 377, 381 HGB; German Commercial Code) shall apply to the commercial obligation to inspect and give notice of defects, subject to the following proviso: Our obligation to inspect shall be limited to defects which become apparent during our incoming goods inspection under external appraisal including the delivery documents (e.g. transport damage, wrong and short delivery) or which are recognisable during our quality control in a random sampling procedure. If acceptance has been agreed, there shall be no obligation to inspect. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case.

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Our obligation to give notice of defects discovered later remains unaffected. Notwithstanding our obligation to examine, our complaint (notice of defect) shall be deemed to have been made without delay and in good time if it is sent within 10 working days of discovery or, in the case of obvious defects, of delivery.

In case it is possible to check the delivery based on AQL values (acceptable quality limit), we are entitled to carry out the incoming goods inspection (check) in each case according to the standardised values of the AQL list. If a defect percentage is found which is above the respective AQL value, we are entitled, at our discretion, either to inspect the entire delivery at the Supplier's expense after prior notification or to return this delivery to the Supplier at the Supplier's expense.

9.2 We shall be entitled to the statutory claims for defects in full; in any case, we shall be entitled to demand that the Supplier, at our discretion, rectify the defect or deliver a new item, reduce the price or withdraw from the purchase agreement. We expressly reserve the right to claim damages, in particular damages in lieu of performance.

9.3 We are entitled to remedy the defect ourselves at the Supplier's expense if the Supplier is in default with the remedy of the defect. If subsequent performance by the Supplier has failed or is unreasonable for us (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damage), no deadline needs to be set; we shall inform the Supplier of such circumstances without delay, if possible in advance.

9.4 The Supplier is not entitled to have orders carried out in their entirety by third parties without corresponding approval. The Supplier shall be liable for the fault of its subcontractors and suppliers as for its own fault.

9.5 The limitation period for defects shall be 24 months, calculated from the date on which our end customer takes the delivery item into use, but no longer than 30 months, calculated from the date of the transfer of risk, unless the mandatory provisions of Sections 478, 479 of the German Civil Code (BGB) apply.

9.6 The return of rejected delivery items shall be at the expense and risk of the Supplier, irrespective of the location of the defective delivery item.

10. Product Liability, Indemnification, Liability Insurance Cove

10.1 The Supplier shall carry out all inspections of the items it manufactured

or delivered. The Supplier is responsible towards us that the delivered item is free of defects.

10.2 Insofar as the Supplier is responsible for product damage, it shall be obliged to indemnify us against claims for damages by third parties upon first request, provided the cause of the product liability claim is within its domain and organisational remit and the Supplier is liable vis-à-vis external parties.

10.3 Within the scope of its liability for claims within the meaning of para. 2, the Supplier shall also be obligated to reimburse any expenses pursuant to §§ 683, 670 BGB of the German Civil Code (BGB) or pursuant to §§ 830, 840, 426 of the German Civil Code (BGB) which result from or in connection with a recall action carried out by us. We shall inform the Supplier about the content and scope of the recall measures to be carried out - insofar as this is possible and reasonable - and give it the opportunity to comment. Other legal claims to which we are entitled shall remain unaffected.

10.4 The Supplier undertakes to maintain product liability insurance with an appropriate sum insured per personal injury/property damage; if we are entitled to further claims for damages, these shall remain unaffected. Upon request, proof of the conclusion of a product liability insurance policy must be provided to us without delay.

11. Provisions, Samples, Drawings, Means of Production

11.1 If we provide the Supplier with further documents and/or manufacturing equipment of any kind (in particular tools, models, moulds, templates, samples, etc.) which go beyond the documents and/or manufacturing equipment listed in Clause 2.2, Clause 2.2 shall apply accordingly to the additional documents and/or manufacturing equipment provided.

11.2 The Supplier shall insure all manufacturing equipment, parts and materials provided, including the items produced therefrom, against theft, damage and destruction at replacement value. To the extent of the value of these items or the co-ownership share granted pursuant to section 8.2, the Supplier already now irrevocably assigns - to the extent legally permissible - the claim for payment of insurance benefits against the insurer, with acceptance of the assignment by us.

11.3 If the Supplier manufactures production equipment for us, the Supplier undertakes to carry out any repair and

maintenance measures required in this respect at its own expense.

11.4 Unless expressly agreed otherwise, the Supplier and we agree that production resources manufactured for us shall become our property upon payment of the agreed (pro rata) production costs / remuneration. From receipt of payment, the Supplier shall own the means of production for us based on this agreement.

11.5 Without written approval, the Supplier is not entitled to use production materials provided by us or manufactured for us in connection with products for third parties.

11.6 The Supplier shall surrender to us free of charge all means of production owned by us upon first request. The Supplier shall not be entitled to any rights of retention in this respect.

12. Property Rights

12.1 The Supplier guarantees that its delivery does not infringe any third party rights.

12.2 If claims are asserted against us by third parties because of this, the Supplier shall be obligated to indemnify us against these claims upon first demand; we shall not be entitled to enter into agreements with the third party - without the Supplier's consent - in particular to conclude a settlement.

12.3 The Supplier's obligation to indemnify us refers to all expenses and damages appropriately incurred or suffered by us because of the third party infringement, including expenses and damages due to third party claims.

13. Confidentiality

13.1 The Supplier undertakes to treat as confidential all commercial and technical details which are not in the public domain and which have been disclosed to it, directly or indirectly, by us or by a company affiliated with us within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG) within the scope of the business relationship or the initiation thereof and, in particular, not to pass this information on to third parties or make it accessible to third parties in any other form and to take all reasonable precautions to prevent third parties from accessing this information.

13.2 The Supplier warrants that companies affiliated with it that receive information within the scope of or in connection with this business relationship or its initiation shall also comply with

this confidentiality obligation. Employees shall not be deemed third parties within the meaning of this provision, if obligations corresponding to this clause have been agreed with them.

13.3 If and insofar as necessary within the framework of the business relationship, information may be passed on to affiliated companies and third parties contractually associated with the business relationship, if the recipient is not a competitor of ours and this is legally permissible. The Supplier shall be responsible for ensuring that confidentiality obligations corresponding to this clause have been agreed with the recipient before the information is passed on and are observed by the recipient.

13.4 The confidentiality obligations under this clause shall not apply if and to the extent that any information is or becomes publicly known or has been lawfully obtained from a third party without a breach of these obligations, or was already known to the Supplier, or must be disclosed due to mandatory judicial, official or statutory provisions or orders, whereby the scope of the disclosure must be kept as small as possible and the Supplier must inform us in writing prior to the intended disclosure (to the extent reasonable) or has been independently developed by the Supplier without using or referring to our information. If the Supplier invokes one or more of the aforementioned exceptions, the Supplier must provide evidence of the underlying facts. Unless otherwise agreed, the Supplier's confidentiality obligations under this clause shall continue to apply beyond the termination of the respective last business relationship, for a period of a further three years; the same shall apply if no agreement is concluded.

14. Validity Clause

In case individual provisions within these terms and conditions are or become invalid, the remaining provisions shall remain effective.

15. Place of Performance, Place of Jurisdiction, Applicable Law

The place of performance shall be at our registered office. The place of exclusive jurisdiction shall be Balingen, Germany. However, we shall be entitled to sue the Customer at its general place of jurisdiction. The law of the Federal Republic of Germany shall apply, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Blickle Räder+Rollen GmbH u. Co. KG, Rosenfeld

Status 05/2023