

General Terms and Conditions of Purchase

Last updated: March 2025

1. General, scope of application

- 1.1 These General Terms and Conditions of Purchase apply to all business relationships of Schwer Fittings GmbH (hereinafter: "Client") with entrepreneurs (Section 14 German Civil Code, BGB), legal entities under public law or special funds under public law (hereinafter: "Contractor").
- 1.2 These General Terms and Conditions of Purchase apply exclusively. Deviating or supplementary terms and conditions of the Contractor shall only become part of the contract if and to the extent that the Client has expressly agreed to their validity in text form.
- 1.3 Unless otherwise agreed, these General Terms and Conditions of Purchase in the version valid at the time of the Client's order or in any case in the version last communicated to the Contractor in text form shall also apply as a framework agreement for similar future business relationships between the Client and the Contractor, even if they are not expressly agreed upon again.
- 1.4 The Contractor may only award contracts to subcontractors after obtaining the prior consent of the Client in text form.

2. Offer and conclusion of contract

- 2.1 Offers are free of charge. The Contractor must comply with the Client's request in the offer and expressly point out any deviations. If the Contractor has a technically or economically more advantageous solution compared to the request, it will also offer this to the Client.
- 2.2 The Contractor shall be obliged to confirm orders within a period of 2 working days by means of an order confirmation in text form or by delivery.
- 2.3 The Contractor's order confirmation must indicate the Client's article, drawing and order number.
- 2.4 If the Contractor manufactures and invoices tools for the goods ordered by the Client (whether as a separate invoice item or as a price surcharge on the goods), ownership of the tools shall pass to the Client upon the commencement of their production. The handover is replaced by an agreement that the tools remain in the possession of the Contractor and are kept for the Client. The Contractor is obliged to mark the Client's tools as the Client's property. These tools may only be used for the manufacture of products intended for the Client.

3. Subsequent changes

- 3.1 If the purchase is made in an ongoing business relationship, the Contractor must notify the Client of any changes to the delivery item compared to approved and previous deliveries (in particular material composition, raw materials used, international relocations of the production facility).
- 3.2 The Client may, at its equitable discretion, demand reasonable changes and additions to the order (change of the material composition, delivery quantity, delivery dates, etc.) at any time up until delivery (in the case of contracts for work: until acceptance) of the delivery item.

- 3.3 The Contractor shall be obliged to propose to the Client any changes which it deems appropriate with regard to the Client's use of the delivery item. After approval by the Client in text form, the Contractor will also carry out these changes.
- 3.4 Insofar as a change affects costs or delivery times, the Contractor shall submit a corresponding supplementary offer specifying the changed costs and the changed delivery times. The Contractor may only invoice expenses in relation to the change after receipt of the order in response to the supplementary offer.

4. Invoicing and payment terms

- 4.1 Invoices must be sent as a single-copy PDF to the central invoice e-mail eingangsrechnung@schwer.com and must indicate the invoice number, order number, quantity, price, Client's article number and country of origin. The invoices must be sent separately from the goods delivery. In the case of deliveries from territories outside EU customs territory, a copy of the invoice or a pro forma invoice must be attached to the goods delivery.
- 4.2 Unless otherwise agreed and/or insofar as ancillary costs are not listed separately in the offer, all prices are fixed prices and include packaging, insurance, transport and any other ancillary costs such as assembly, etc. The prices include statutory sales tax if this is not indicated separately.
- 4.3 If services are billed according to time expenditure, the time expenditure must be documented by submitting informative timesheets.
- 4.4 Payments do not imply acceptance of the conditions, prices or characteristics of the delivery item.
- 4.5 The Contractor shall issue a supplier's declaration at the request of the Client. The supplier's declaration and, if applicable, other documents provided by the Contractor (factory certificates, material certificates, test certificates, etc.) can only be invoiced if this has been agreed in advance with the Client.
- 4.6 The Client's order, article and drawing number must be indicated on all invoices and delivery notes. Without this information, invoices are deemed not issued.
- 4.7 Invoices are payable within 14 days of service provision and receipt of invoice, less 2% discount, within 30 days net only.
- 4.8 Unless expressly agreed otherwise, offers, drafts, samples and test pieces of the Contractor are free of charge for the Client.
- 4.9 The Client does not owe any interest on the due date. The statutory provisions apply to late payment. 4.10 The Client is entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent permitted by law. In particular, the Client shall be entitled to withhold payments due as long as it is still entitled to claims against the Contractor arising from incomplete or defective services. 4.11 The Contractor shall have a right of set-off or retention only on the basis of legally established or undisputed counterclaims.

5. Delivery, delivery date, delay in delivery

- 5.1 The Contractor shall not be entitled to have the service owed by it performed by third parties (e.g. subcontractors) without the prior written consent of the Client. The Contractor shall bear the procurement risk for its services, unless otherwise agreed in the individual case (e.g. restriction to stock).

- 5.2 Unless expressly agreed otherwise, delivery times and deadlines are binding. The Contractor shall inform the Client immediately if it becomes aware of circumstances which could imply a delay in delivery.
- 5.3 In the event of a delay in delivery for which the Contractor is responsible, the Client may – in addition to further statutory claims – demand lump-sum compensation for the damage caused by the delay in the amount of 1% of the net order value for each completed week of delay, but not more than 5% of the net order value. The Client reserves the right to assert demonstrably higher damage caused by delay. The Contractor reserves the right to prove that the Client has suffered only lesser damage.
- 5.4 Unless otherwise agreed, all deliveries shall be made DAP (Incoterms 2020) to the location specified in the order. If the destination is not specified and unless otherwise agreed, delivery must be made to the Client's place of business.

6. Framework supply agreements

Delivery call-offs under framework supply agreements (framework agreements, call-off framework agreements, orders and acceptance) shall become binding at the latest if the Contractor does not object in writing within one week of receipt.

7. Defective delivery

- 7.1 The statutory provisions and, exclusively for the benefit of the Client, the following additions and clarifications shall apply to the rights of the Client in the event of material and legal defects of the goods (including incorrect and short delivery as well as improper assembly/installation or inadequate instructions) and in the event of other breaches of duty by the Contractor.
- 7.2 In accordance with the statutory provisions, the Contractor shall be liable in particular for the goods having the agreed quality at the time of transfer of risk to the Client. In any case, those product descriptions which are the subject of the respective contract – in particular by designation or reference in the Client's order – or which have been incorporated into the contract in the same way as these General Terms and Conditions of Purchase shall apply as an agreement on the quality. Whether the product description comes from the Client, the Contractor or the manufacturer is immaterial.
- 7.3 In the case of goods with digital elements or other digital content, the Contractor shall be obliged to provide and update the digital content in any case to the extent that this results from a quality agreement pursuant to Section 7.2 or other product descriptions of the manufacturer or on his behalf, in particular on the Internet, in advertising or on the product label.
- 7.4 The Client is not obliged to inspect the goods or make special enquiries about any defects at the time of conclusion of the contract. In partial deviation from Section 442 para. 1 sentence 2 BGB, the Client is therefore entitled to claims for defects without restriction even if the Client was unaware of the defect at the time of conclusion of the contract as a result of gross negligence.
- 7.5 The statutory provisions (Sections 377, 381 of the German Commercial Code, HGB) apply to the commercial duty to inspect and complain with the following proviso: the Client's duty to inspect is limited to defects that come to light during the Client's incoming goods inspection under external checks, including the delivery

documents (e.g. transport damage, incorrect and under-delivery) or are recognisable during the Client's quality control in a random sampling procedure. If acceptance has been agreed, there is no obligation to inspect. In all other aspects, it depends on the extent to which an inspection is feasible in accordance with the proper course of business, taking into account the circumstances of the individual case. Our obligation to give notice for defects discovered later remains unaffected. Notwithstanding our duty to inspect, our complaint (notification of defects) shall be deemed to be immediate and timely if it is sent within five working days of discovery or, in the case of obvious defects, of delivery. 7.6 Subsequent performance also includes the dismantling of the defective goods and their reinstallation, insofar as that the goods were installed or attached to another item in accordance with their nature and intended use before the defect became apparent; the Client's statutory claim to reimbursement of corresponding expenses (dismantling and installation costs) shall remain unaffected. The Contractor shall bear the expenses necessary for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs and, if applicable, dismantling and installation costs, even if it turns out that there was actually no defect. The Client's liability for damages in the event of an unjustified demand for the remedy of defects remains unaffected; in this respect, however, the Client is only liable if it realised or grossly negligently failed to recognise that there was no defect.

7.7 Without prejudice to the statutory rights of the Client and the provisions in Section 7.5, the following shall apply: if the Contractor fails to comply with its obligation to remedy the defect – at the Client's choice by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery) – within a reasonable period of time set by the Client, the Client may remedy the defect itself and demand reimbursement of the expenses required for this purpose or a corresponding advance from the Contractor. If the subsequent performance by the Contractor has failed or is unreasonable for the Client (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline needs to be set; we will inform the Contractor of such circumstances immediately, if possible in advance.

7.8 In all other aspects, the Client shall be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions in the event of a material or legal defect. In addition, it is entitled to compensation for damages and expenses according to the statutory provisions.

8. Supplier recourse

8.1 In addition to the claims for defects, we are entitled without restriction to the Client's statutory claims for expenses and recourse within a supply chain (supplier recourse pursuant to Sections 478, 445a, 445b50 or Sections 445c, 327 para. 5, 327u BGB). In particular, the Client shall be entitled to demand from the Contractor exactly the type of subsequent performance (repair or replacement delivery) that the Client owes to its customers in the individual case; in the case of goods with digital elements or other digital content, this also applies with regard to the provision of necessary updates. This does not restrict the Client's statutory right of choice (Section 439 para. 1 BGB).

- 8.2 Before the Client acknowledges or fulfils a claim for defects asserted by its customer (including reimbursement of expenses pursuant to Section 445a para. 1, 439 para. 2, 3, 6 sentence 2, 475 para. 4 BGB), the Client shall notify the Contractor and ask for a written statement with a brief explanation of the facts. If a substantiated statement is not issued within a reasonable period of time and no amicable solution is reached, the claim for defects actually granted by the Client shall be deemed to be owed to its customer. In this case, the Contractor is responsible for providing evidence to the contrary.
- 8.3 The Client's claims under supplier recourse shall also apply if the defective goods have been combined with another product or processed in any other way by the Client, its customer or a third party, e.g. by installation, attachment or installation.

9. Producer's liability and insurance

- 9.1 If the Contractor is responsible for product damage, it must indemnify the Client against claims by third parties to the extent that the cause is within its sphere of control and organisation and it is liable itself in the external relationship.
- 9.2 Within the scope of its indemnification obligation, the Contractor shall reimburse expenses pursuant to Sections 683 and 670 BGB arising from or in connection with a claim by third parties, including recalls carried out by the Client. The Client shall inform the Contractor of the content and scope of recall measures – as far as possible and reasonable – and shall give the Contractor the opportunity to comment. Further statutory claims remain unaffected.
- 9.3 The Contractor shall take out and maintain product liability insurance with lump-sum cover of at least EUR 10 million per personal injury/property loss.

10. Limitation period

- 10.1 The mutual claims of the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise provided below.
- 10.2 In deviation from Section 438 para. 1 no. 3 BGB, the general limitation period for claims for defects is 3 years from the transfer of risk. If acceptance has been agreed, the limitation period begins with acceptance. The 3-year limitation period also applies accordingly to claims arising from defects of title, whereby the statutory limitation period for claims for in rem restitution by third parties (Section 438 para. 1 no. 1 BGB) remains unaffected. In addition, claims based on defects of title shall not become time-barred in any case as long as the third party can still assert the right against the Client – in particular in the absence of a statute of limitations.
- 10.3 The limitation periods of under sales law, including the above extension, shall apply – to the extent permitted by law – to all contractual claims for defects. Insofar as the Client is also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (Sections 195, 199 BGB) applies here, unless the application of the limitation periods under sales law leads to a longer limitation period in the individual case.

11. Cancellation of orders by the Client

- If the Client's sales situation deteriorates significantly, the Client shall be entitled to cancel the orders placed as well as framework and call-off orders in whole or in

part. In such a case, the Contractor shall be obliged to immediately cease the production of products already ordered. In the event of such cancellations, the Contractor may demand from the Client the agreed purchase price for finished products and the cost price for machined parts that are due for delivery according to the Client's delivery schedule, whereby a reasonable lead time is granted. Furthermore, in the event of cancellation, the Contractor may demand the reimbursement of the purchase price for raw material already in stock, provided that there is no other purpose for this. Claims of the Contractor other than those listed under this regulation, in particular also due to indirect damages, such as loss of profit or business interruption, are excluded.

12. Inspections, material verifications

- 12.1 The Client shall have the right to carry out inspections (audits) at the Contractor's plant; the Contractor and the Client shall each bear their own costs. If defects require repeated or further inspections, the Contractor shall bear the material and personnel costs for the subsequent expenses.
- 12.2 Unless expressly agreed otherwise, the Contractor shall bear the costs for required or contractually agreed material verifications of primary materials.

13. Retention of title

- 13.1 Unless the parties agree otherwise in writing, all forms of expanded or extended retention of title are excluded, so that any retention of title validly declared by the Contractor shall only apply until payment has been made for the goods delivered to the Client and only to these goods.
- 13.2 If the Client has paid an advance payment or provided material for processing, the ownership of the ordered goods shall pass to the Client upon the commencement of their production. The handover is replaced by the agreement that the goods remain in the possession of the Contractor for processing until the agreed delivery date and are kept for the Client. The Contractor is obliged to mark the Client's goods as the Client's property and to use them exclusively for the production of the goods ordered by the Client.

14. Confidentiality

- 14.1 The Client reserves all ownership and authorship rights to illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents are to be used exclusively for the contractual performance and are to be returned to the Client after the contract has been completed.
- 14.2 The Contractor shall keep all documents and information received from the Client (in particular contractual documents, drawings, plans or product descriptions provided for the preparation of the offer, etc.) confidential from third parties and, at the Client's request, shall return them to the Client or permanently delete them. This also applies after the termination of the contractual relationship. The obligation of secrecy shall only expire when and to the extent that the knowledge contained in the documents provided has become generally known.

- 14.3 Under no circumstances shall the Contractor receive any rights of use to the information provided to it that go beyond the preparation of the offer or the processing of the order.
- 14.4 The Contractor may only refer to the existing business relationship with the written consent of the Client.

15. Product compliance

- 15.1 All delivered goods comply with REACH Regulation 1907/2006 as amended. If delivered products contain candidate substances (Annex XIV), the Contractor shall expressly and actively inform the Client of the candidate substance contained.
- 15.2 If delivered products are placed on the market as OEM goods by the Client as a formal manufacturer and such products are subject to a CE regulation, the Contractor has carried out the required CE conformity assessment procedure and shall provide the Client with the legally required CE documents if required (in particular if requested by a European authority).

16. Place of performance, applicable law and place of jurisdiction

- 16.1 Changes and additions to the contractual agreement in which these Terms and Conditions of Purchase are incorporated (including the provisions of these Terms and Conditions of Purchase themselves) must be made in writing. This also applies to the amendment of the written form requirement itself.
- 16.2 Place of performance for all liabilities arising from the contract is the registered office of the Client.
- 16.3 German law applies to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 16.4 Denkingen is agreed as place of jurisdiction. In addition, the Client shall be entitled to assert its claims at the Contractor's general place of jurisdiction.