

§ 1 General Provisions, Scope of Application

- (1) All business relationships with our suppliers shall be subject exclusively to our terms and conditions of purchase; we shall not acknowledge any conflicting or deviating terms and conditions of a supplier, unless we explicitly agree to their validity in writing. Our terms and conditions of purchase shall apply even if we unreservedly accept a delivery from a supplier despite being aware of its conflicting or deviating terms and conditions or if the supplier refers to its terms and conditions in its order confirmation and we do not explicitly object to them.
- (2) Our terms and conditions of purchase only apply to transactions with "traders", as defined in Section 14 of the German Civil Code (BGB), legal persons incorporated under public law and investment funds incorporated under public law.
- (3) Our terms and conditions of purchase apply in particular to contracts for the sale and/or delivery of movable objects ("goods"), regardless of whether the supplier manufactures the goods itself or purchases them from subcontractors (see Sections 433 and 650 BGB), as well as to contracts for the provision of other services. Unless otherwise agreed, the valid version of our terms and conditions of purchase shall be the one in place at the time we place an order, or at least the version most recently shared with the supplier in text form; that version shall also serve as a general agreement for future contracts of the same type without us having to refer to it again in each individual case.
- (4) Any individual agreements made with the supplier (e.g. general supply contracts, quality assurance clauses) and the information provided in our purchase order shall take precedence in each case. In case of doubt, all commercial terms shall be interpreted according to the version of the Incoterms that is valid at the time the contract is established, as published by the International Chamber of Commerce (ICC) in Paris.
- (5) Any legally relevant declarations and notifications to be submitted by the supplier in relation to the contract (e.g. set deadlines, payment reminders or withdrawal from the contract) must be made in writing. For the purpose of our terms and conditions of purchase, the term "in writing" includes both text and written forms (e.g. letter, email, fax). Notwithstanding the above, the statutory provisions apply with regard to formal requirements and additional evidence, especially in case of doubt regarding the authority of the person submitting a declaration.
- (6) Any references to the validity of statutory provisions are only made for clarification purposes. The statutory provisions shall therefore also apply without such clarifying references, unless we directly amend them or explicitly exclude them in our terms and conditions of purchase.

§ 2 Conclusion of Contract, Enquiries

- (1) Our terms and conditions of purchase also apply to our enquiries. Our enquiries shall be non-binding.
- (2) When submitting an offer, the supplier must adhere to the details specified in our enquiry and must explicitly point out any deviations. All offers shall be submitted free of charge for us and in a non-binding manner; unless otherwise explicitly agreed in writing, we shall not grant any compensation for site visits or the preparation of plans, drawings or the like.
- (3) Our purchase orders shall not be considered binding until they have been submitted in writing or confirmed.
- (4) Unless we explicitly waive an order confirmation, the supplier must confirm each of our purchase orders in writing within 5 (five) working days, stating a binding delivery deadline. If a purchase order is accepted after this period, or if additional information is provided in an order confirmation, this shall be considered a new offer, which must be accepted by us.

§ 3 Delivery Deadlines and Quantities

- (1) The delivery deadline specified in our purchase order shall be binding. If a delivery deadline is not specified in our purchase order and has not been agreed otherwise, the delivery deadline shall be 1 (one) week from the conclusion of the contract. The supplier shall be obliged to immediately inform us in writing if it believes that it will not be able to meet any agreed delivery deadlines for whatever reason.
- (2) If the supplier fails to provide its services, fails to do so within the agreed delivery deadline or defaults on a delivery, our rights shall be determined by the statutory provisions, in particular our right to withdraw from the contract and demand compensation for damages. This shall be without prejudice to the provisions set out in paragraph (3) below.
- (3) In the event of a delivery delay, we shall be entitled to demand a lump sum of compensation for damages amounting to 1% of the net price per completed week, but no more than 5% of the net price of the delayed goods in total. We reserve the right to assert further statutory claims, which shall then be deducted from the lump sum of compensation. The supplier shall be entitled to prove that we have incurred no damage or less damage as a result of the delay. The lump sum shall then be reduced accordingly.
- (4) If the over- or under-delivery of mass-produced bespoke items cannot be avoided, this shall only be permitted up to 5%. In such cases, we expect to be promptly informed of the quantity to be delivered.

§ 4 Delivery, Place of Performance, Supplier Declarations

- (1) Unless otherwise agreed, the supplier shall not be entitled to have the services owed under the contract provided by third parties (e.g. subcontractors) without our consent. The supplier shall bear the procurement risk for its services, unless otherwise agreed in a specific case (e.g. limitation to stocks).
- (2) Unless otherwise agreed, the goods shall be delivered duty paid (DDP) according to the Incoterms 2020 or the current version thereof.
- (3) The place of performance for the delivery obligation shall be the place of receipt specified by us. If we do not explicitly specify a place of receipt, the place of performance shall be our factory in Siegen.
- (4) Unless otherwise agreed, the risk shall be transferred to us when the goods are delivered to the agreed place of performance. If a formal acceptance procedure is agreed, this shall determine when the risk is transferred. The statutory provisions on contracts for work and services shall also apply accordingly to any acceptance procedure. The purchased items shall be deemed to have been handed over or accepted if we are in default of acceptance.
- (5) All shipments must be accompanied by a packing list and a delivery note stating our order number, item names, article numbers and, if available, the relevant customs tariff number, the country of origin and item weights. If any of these requirements are not met, we shall not be responsible for any resulting delays. A corresponding dispatch note with the same content must be sent to us separately from the delivery note.
- (6) The statutory provisions shall determine whether we are in default of acceptance. However, the supplier must explicitly offer us its services even if a specified or specifiable calendar date has been agreed for us to act or cooperate (e.g. by providing materials). If we are in default of acceptance, the supplier may claim compensation for its additional expenses in accordance with the statutory provisions (Section 304 BGB). If the contract concerns a custom-made item to be manufactured by the supplier, the supplier shall only be entitled to assert further rights if we are obliged to cooperate and are responsible for our failure to cooperate.
- (7) If so requested, the supplier shall be obliged to submit a (long-term) supplier's declaration in the prescribed form for goods with or without preferential origin status, at the latest when the first delivery is made.

§ 5 Section 5: Prices, Terms of Payment

- (1) The prices specified in our purchase order shall be binding. All prices shall be specified without the statutory rate of value added tax.
- (2) Unless otherwise agreed in a specific case, the price shall include all of the supplier's services and additional services (e.g. assembly and installation) and all additional costs (e.g. proper packaging and transport costs, including any transport and liability insurance).
- (3) We shall only be able to process invoices if they indicate the order number and article numbers specified in our purchase order. If these requirements are not met and our processing is subsequently delayed within our normal course of business, the payment deadlines specified in paragraph (4) below shall be extended accordingly.
- (4) Unless otherwise agreed in writing, all payments shall be made within 14 (fourteen) days with a 3% discount or within 30 (thirty) days without deductions. These periods shall start to run once we have received a proper invoice or, if the goods arrive after the invoice, when the goods and services have been fully provided (including any agreed acceptance procedure). We shall be deemed to have made a payment on time if our transfer order is received by our bank before the payment deadline has expired.
- (5) Even if payment is made, this shall not necessarily mean that we acknowledge the delivery or service as being contractually compliant. If we make a payment, this shall not affect our ability to assert claims, in particular any warranty claims.
- (6) We shall not owe any default interest on late payments. The statutory provisions shall apply to any delays in payment. In any case, the supplier must issue a reminder for a payment to be regarded as delayed.

§ 6 Offsetting, Right of Retention, Assignment of Claims

- (1) We shall be entitled to offset and withhold claims to the extent permitted by law. The supplier may only invoke a right to offset or withhold claims if its counterclaims are undisputed, recognised or legally established.
- (2) Any claims held against us may only be assigned to third parties with our express written consent.

§ 7 Inspections, Complaints for Defects

The provisions of Sections 377 and 381 of the German Commercial Code (HGB) shall apply with regard to our commercial obligation to inspect deliveries and report any defects, subject to the following conditions: We shall only be obliged to check for defects that may be revealed by visual inspections of incoming goods, including delivery documents, or defects that can be easily recognised by means of a superficial minimum inspection (e.g. transport damage, incorrect deliveries and short deliveries). We shall not be obliged to inspect the goods if a formal acceptance procedure has been agreed. The necessity of an inspection shall also depend on its feasibility within our ordinary course of business, taking into account the specific circumstances of each case. However, we shall still be obliged to report any defects found at a later date. Irrespective of our obligation to inspect deliveries, we shall be deemed to have raised an immediate and timely complaint (notification of defects) if we submit a complaint within 10 (ten) working days of discovering the defect or, in the case of obvious defects, within 10 (ten) working days of delivery.

§ 8 Warranty and Liability

- (1) If the goods have any material defects or defects in title (including incorrect and short deliveries, improper assembly / installation or incorrect operating instructions), and if the supplier breaches any other duties, our rights shall be governed by the statutory provisions and, exclusively to our benefit, the following additions and clarifications.
- (2) In accordance with the legal regulations, the supplier shall be liable in particular for ensuring that the goods have the agreed quality when the risk is transferred to us, that they reflect the current state of the art, that they are marketable in the country of destination, and that they do not breach any statutory provisions in the country of destination.
- (3) In the case of goods with digital elements or other digital content, the supplier shall be obliged to provide and update the digital content to the extent that this is stipulated in a quality agreement established in accordance with paragraph (2) above or to the extent that this is specified in other product descriptions provided by the manufacturer or on behalf of the manufacturer, in particular on the Internet, in advertising or on the product label.
- (4) Unless otherwise agreed, the agreed quality shall be inferred from the product descriptions that are subject to the respective contract or that are included in the contract in the same way as these terms and conditions of purchase, in particular by means of an indication or reference contained in our purchase order. It shall make no difference whether the product description is provided by us, the supplier or the manufacturer. Any references to technical standards shall also serve to describe the services and shall equally be understood as a quality agreement. By accepting or approving samples submitted by the supplier, we shall not waive our warranty rights.
- (5) The supplier assures that the products and services it provides shall comply with all relevant environmental protection regulations, especially the RoHS Directive and the REACH Regulation, and shall reflect the current state of the art with regard to energy efficiency. If any further requirements are specified in our purchase order, they must also be met.
- (6) The supplier shall bear any costs incurred for the purpose of rectifying defects (including any removal and installation costs and transport, travel, labour and material costs). This shall apply even if it turns out that the goods are not defective. If we make an unjustified request for the rectification of defects, we shall only be liable if we actually recognised the lack of defects or failed to recognise this through gross negligence.
- (7) If the supplier does not comply with its obligation to rectify a defect, either by eliminating the defect (repair) or by delivering a non-defective item (replacement), as chosen by us, within a reasonable period of time set by us, we may remedy the defect ourselves and demand reimbursement of the necessary expenses or a corresponding advance payment from the supplier. If the supplier fails in its attempt to rectify a defect, or if the rectification measures are unreasonable for us (e.g. because the matter is particularly urgent, there is a threat to operational safety or we are about to incur disproportionate damage), we shall not be required to set a deadline; we shall inform the supplier of such circumstances immediately, giving advance notice where possible.

§ 9 Recourse Against the Supplier

- (1) In addition to claims for defects, we may fully assert our statutory claims for reimbursement of expenses and recourse within a supply chain in accordance with Sections 445a, 445b and 478 BGB or Sections 445c, 327 (5) and 327u BGB. In particular, we shall be entitled to ask the supplier to rectify the issue exactly as demanded by our customer in each case (repair or replacement); in the case of goods with digital elements or other digital content, this also applies with regard to the provision of necessary updates. This shall not restrict our right to choose our own rectification measures in accordance with Section 439 (1) BGB.
- (2) Before acknowledging or honouring a claim for defects asserted by one of our customers (including the reimbursement of expenses pursuant to Section 445a (1) BGB, Section 439 (2) and (3) BGB, the second sentence of Section 439 (6) BGB and Section 475 (4) BGB), we shall notify the supplier, briefly presenting the facts of the matter and requesting a written statement. If the supplier does not make a substantiated statement within a reasonable period and no amicable solution can be found, the claim for defects owed to our customer shall be the claim that has actually been granted by us. In such cases, the supplier shall be responsible for providing evidence to the contrary.
- (3) Our claims arising from recourse against the supplier shall apply even if we, one of our customers or third parties combine the goods with another product or otherwise subject the goods to further processing before they are sold (e.g. through installation or attachment).

§ 10 Product Liability, Precautionary Measures

- (1) If the supplier is responsible for product damage, it shall be obliged to indemnify us against any third-party claims for damages upon first request, insofar as the cause can be traced back to the supplier's sphere of control and organisation and the supplier is personally liable to third parties.
- (2) As part of its obligation to indemnify us under paragraph (1) above, the supplier shall also be obliged to compensate us for any expenses incurred from or in connection with any third-party claims pursuant to Sections 683 and 670 BGB or Sections 830, 840 and 426 BGB. We reserve the right to assert further statutory claims.
- (3) The supplier shall also be obliged to cover the cost of any precautionary measures and the resulting damages, insofar as the cause of the precautionary measures can be traced back to the supplier's sphere of control and organisation and the supplier is personally liable to third parties. Before taking any precautionary measures, we shall inform the supplier about the reason for the measure and the nature and scope of the measure – as far as this is possible and reasonable – and shall give the supplier opportunity to comment on the matter. Precautionary measures are those which relate not only to individual defective products, but to a large number of our products, in particular product recall campaigns and general modifications.
- (4) The supplier agrees to take out business and product liability insurance with an appropriate level of coverage, usually amounting to at least EUR 10 million per claim (lump sum), and to constantly renew the policy. The supplier shall send us a copy of the liability insurance policy at any time upon request.

§ 11 Limitation Period

- (1) Any mutual claims held by the contracting parties shall become time-barred in accordance with the statutory provisions, unless otherwise specified below.
- (2) By way of derogation from Section 438 (1) No. 3 BGB, any claims for defects shall generally become time-barred within 3 (three) years of the transfer of risk. If a formal acceptance procedure is agreed, the limitation period shall begin once the goods have been accepted. This three-year limitation period shall also apply accordingly to any claims arising from defects in title, but without prejudice to the statutory limitation period for real rights of third parties on the basis of which the return of a purchased item may be demanded (Section 438 (1) No. 1 BGB); in addition, any defects in title shall not become time-barred under any circumstances as long as the third party can still assert the right against us, in particular in the absence of a limitation period.
- (3) The limitation periods stipulated in sales law, including the aforementioned extension, shall apply to all contractual claims for defects to the extent permitted by law. If we are also entitled to assert non-contractual claims for damages due to a defect, the regular statutory limitation periods specified in Sections 195 and 199 BGB shall apply, unless the limitation period could be extended in a particular case by applying the limitation periods stipulated in sales law.
- (4) If we are entitled to claims for recourse against the supplier based on the relevant provisions (Sections 445a and 478 BGB), our claims for recourse shall become time-barred in accordance with Section 445b BGB. However, they shall not become time-barred before the end of the limitation period specified in paragraph (2) above.
- (5) If a defect is fraudulently concealed by the supplier (Sections 438 (3) and 634a (3) BGB), and if we are also entitled to competing contractual and/or non-contractual claims for damages due to a defect, our claims shall become time-barred in accordance with the regular statutory limitation period (Sections 195 and 199 BGB). However, they shall not become time-barred before the end of the limitation period specified in paragraph (2) above. The statutory limitation periods stipulated in the German Product Liability Act (ProdHaftG) shall remain unaffected in each case.

§ 12 Property Rights

- (1) In accordance with the provisions set out in this paragraph, the supplier hereby guarantees that the goods it delivers shall not infringe any industrial property rights of third parties. The supplier must indemnify us against any claims asserted by third parties due to any such infringement of industrial property rights and must reimburse us for any necessary expenses incurred in connection with such claims. This shall not apply if the supplier can prove that it is neither responsible for the infringement of the property rights nor should it have been aware of the infringement at the time of the delivery after exercising the due care of a prudent businessperson.
- (2) We reserve the right to assert further claims due to defects in title.

§ 13 Quality Assurance, Reporting Obligations, Code of Ethics

- (1) We must be informed in writing of the production facilities in which the goods are produced. Any changes must be promptly reported in writing. The production facilities must have the certifications specified by us.
- (2) In order to ensure that product quality remains consistent and predictable, the supplier must not make any changes to its manufacturing processes or methods, to the composition, function or appearance of the goods, or to raw materials or any other components used to manufacture the goods, unless we give our prior written consent. We shall decide whether to grant or withhold our consent at our own discretion.
- (3) The supplier agrees to check and ensure compliance with the relevant product specifications and legal requirements and to otherwise ensure the quality of the goods at its own expense by implementing a coherent quality assurance concept, including constant quality assurance and control measures. If so requested, the supplier shall provide us with comprehensive information about the nature, scope and frequency of the relevant measures.
- (4) The supplier shall inform us immediately if it becomes aware of any internal or external incidents, investigations, findings or the like revealing that delivered goods deviate from the product specifications and/or (could) have defects in quality and/or that legal conformity or unrestricted marketability is otherwise in doubt. In cases in which there could be a risk to life, limb or health, the supplier shall inform us immediately, but no more than 2 (two) hours after becoming aware of the situation.



- (5) We, or experts appointed by us, shall be entitled to inspect the supplier's business premises and facilities at any time during business hours, to check the quality assurance measures taken by the supplier, and to take samples from the ongoing production of goods. We shall determine the frequency and scope of such audits at our own discretion, but we shall take the supplier's legitimate interests into account.
- (6) The supplier also agrees to comply with the environmental and social standards set out in our Code of Ethics. Our Code of Ethics shall form part of the contract and can be found at www.utsch.com.
- (7) The supplier shall endeavour to ensure that its subcontractors also apply and observe our Code of Ethics or an equivalent Code of Conduct. For the purposes of this clause, "subcontractor" means anyone whose activities are necessary for the manufacture of the supplier's products or the provision or use of the supplier's services, regardless of whether or not the subcontractor has a contractual relationship with the supplier or us.

§ 14 Retention of Title

- (1) We must be transferred ownership of the goods unconditionally, regardless of whether the purchase price has been paid. If we ever accept an offer from the supplier for transfer of ownership subject to the payment of the purchase price, the supplier's retention of title shall only apply to the extent that it relates to our payment obligation for the relevant goods to which the supplier reserves ownership. In such cases, we shall be authorised to resell the goods in the ordinary course of business even before the purchase price has been paid, provided that the resulting claims are assigned to the supplier in advance. The supplier shall not be entitled to exercise any extended or transferred retention of title or any retention of title extended to further processing.
- (2) If the supplier processes, mixes or combines any of the materials we provide, any such further processing shall be done for us. The same shall apply if we carry out further processing on the delivered goods ourselves; we shall be regarded as the manufacturer and shall acquire ownership of the final product – at the latest when the goods are subjected to further processing – in accordance with the statutory provisions.

§ 15 Documents and Means of Production, Tools

- (1) We shall reserve ownership, copyright and other intellectual property rights to any orders we place and to any drawings, illustrations, descriptions and other documents we make available to the supplier. Any such documents must not be made accessible to third parties – nor must they be used or reproduced by the supplier or third parties – without our express consent. The supplier must fully return such documents to us upon request if they are no longer required within the supplier's ordinary course of business or if negotiations do not lead to the conclusion of a contract. Any copies made by the supplier must also be destroyed in such cases; the only exceptions are any copies that have to be kept in accordance with statutory retention obligations as well as any data that has to be stored for back-up purposes as part of customary back-up practices.
- (2) Any tools and models that we provide to the supplier or that are manufactured for contractual purposes and are invoiced to us separately by the supplier shall remain or become our property. The supplier shall mark them as our property, store them carefully, insure them against all kinds of damage to an appropriate extent and only use them for the purposes of the contract. Unless otherwise agreed, the cost of maintaining and repairing any such tools and models shall be borne equally by the contracting parties. However, if these costs are due to defects in the items manufactured by the supplier or due to improper use by the supplier, its employees or other vicarious agents, they shall be borne solely by the supplier. The supplier shall immediately notify us of any damage to such tools and models that is not just insignificant. If the supplier no longer needs them to perform the contracts established with us, and if so requested by us, the supplier shall be obliged to return them to us in a proper condition.

§ 16 Spare Parts

- (1) The supplier shall be obliged to keep spare parts for the goods delivered to us for at least 10 (ten) years after delivery.
- (2) If the supplier intends to discontinue the production of spare parts for the goods delivered to us at any point after the period specified in paragraph (1) expires, the supplier shall inform us immediately after deciding to discontinue production and no later than 6 (six) months before actually discontinuing production.

§ 17 Special Right of Termination in the Event of Financial Collapse

If the supplier no longer meets its payment and/or delivery or service obligations in a timely manner, or if a request for insolvency proceedings is filed against the supplier, we shall be entitled to terminate the contract without notice.

§ 18 Force Majeure

In the event of force majeure such as labour disputes, official measures, energy or raw material shortages, transport bottlenecks or disruptions, pandemics, operational disruptions (e.g. due to fire, water and/or breakdowns) or any other disruptions in our operational processes for which we are not responsible and which have a demonstrably significant impact on our business, we shall be entitled to postpone our acceptance of the service for the duration of the force majeure event or disruption, provided we immediately inform the supplier about the occurrence of force majeure. If the force majeure or disruption persists for more than 1 (one) month, we may withdraw from the part of the contract that is yet to be fulfilled, provided we immediately inform the supplier of the occurrence of force majeure. This shall be without prejudice to any rights held by the supplier in the event of force majeure. "Force majeure" means any event occurring outside the company which is caused by external elementary forces of nature or by the actions of external third parties, which is unforeseeable according to human insight and experience, which cannot be prevented or rendered harmless by economically acceptable means even with the utmost care to be reasonably expected under the circumstances, and which is not to be accepted by the trader in light of its frequency.

§ 19 Section 19: Processing of Personal Data

- (1) We shall process any personal data that we collect in the context of our deliveries, services and orders exclusively in accordance with the applicable data protection regulations. The information to be provided under Art. 13 and 14 of the General Data Protection Regulation (GDPR) is available here: www.utsch.com/Datenschutzrechtliche-Information. We may also provide this information in writing upon request.
- (2) If any personal data is sent to us, the supplier shall be obliged to inform the relevant data subjects about our data processing in a timely manner in accordance with Art. 14 GDPR; we shall not inform the data subjects ourselves.

§ 20 Confidentiality, Place of Jurisdiction, Applicable Law, Severability Clause

- (1) The supplier shall be obliged to maintain strict confidentiality with regard to any technical and commercial documents that are handed over and to impose the same obligation on its employees and subcontractors. The obligation to maintain confidentiality shall not apply if the information is already known to the general public or was demonstrably already known to the supplier before it was disclosed by us. The same applies if the information becomes known to the general public after being disclosed without a breach of contract, if the information is made known to the supplier by third parties without the breach of any confidentiality obligations, if the information is developed by the supplier independently of any information provided by us, or if the information is disclosed by us in public or has to be disclosed due to legal regulations. Any violations shall result in compensation for damages. Any special non-disclosure agreements and statutory regulations regarding the protection of secrets shall remain unaffected.
- (2) If the supplier is a merchant, a legal person incorporated under public law or an investment fund incorporated under public law, Siegen shall be the place of jurisdiction for any disputes arising directly or indirectly from the contractual relationship. However, we shall also be entitled to take legal action against the supplier at its place of residence or place of business. This shall be without prejudice to the prioritisation of certain statutory provisions, particularly those relating to exclusive competences.
- (3) The law of the Federal Republic of Germany applies. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
- (4) If any provisions of these terms and condition of purchase or any provisions of other agreements prove to be ineffective, this shall have no bearing on the effectiveness of the remaining provisions or agreements.

