

General purchasing conditions (Ts&Cs) of Erfurt & Sohn KG

1. Validity, form, supplier selection

- 1.1. These terms and conditions only apply to companies (Section 14 German Civil Code [BGB]), legal entities under public law or separate funds under public law (hereinafter referred to respectively as **the 'supplier'**).
- 1.2. Erfurt & Sohn KG (hereinafter referred to as **'Erfurt & Sohn'**) concludes contracts with its suppliers exclusively under the following conditions. Erfurt & Sohn does not acknowledge terms and conditions of business conflicting with or deviating from these Ts&Cs. The above provision also applies if Erfurt & Sohn does not expressly object to an order confirmation, which is based on terms and conditions of business conflicting with or deviating from these Ts&Cs. For the avoidance of doubt, any terms and conditions of business or purchase of the supplier are hereby rejected. Terms and conditions of business conflicting with these Ts&Cs are also not acknowledged, if Erfurt & Sohn KG accepts a delivery or pays the purchase price without reservations. Conflicting terms and conditions of business only apply if Erfurt & Sohn has expressly confirmed the applicability of such terms and conditions in writing.
- 1.3. These Ts&Cs as amended also apply as the framework agreement to future agreements with the same supplier, without Erfurt & Sohn being required to refer to these Ts&Cs in each individual case.
- 1.4. Erfurt & Sohn reserves the right to amend or modify these Ts&Cs. Unless otherwise agreed, the Ts&Cs in the version valid at the time of the order by Erfurt & Sohn, or in any case in the version last communicated to the supplier in text form, also apply as a framework agreement for similar future contracts, without Erfurt & Sohn having to refer to them again in each individual case.
- 1.5. Individual arrangements with the supplier take precedence over these Ts&Cs in any case (including side agreements, supplements and amendments). A written agreement or written confirmation from Erfurt & Sohn is decisive for the content of such agreements.

For the purposes of these Ts&Cs, the written form includes the written or text form (e.g. letter, e-mail, fax).

For any statements with legal significance, notices or other declarations in connection with these Ts&Cs, the text form is sufficient, unless otherwise provided in these Ts&Cs. Legal formalities and further evidence, particularly in cases of doubt as to the legitimacy of the person making the declaration, remain unaffected.

- 1.6. Erfurt & Sohn prefers energy-efficient solutions according to DIN ISO 50001 and takes this fact into account when selecting suppliers and offers.

2. Orders

- 2.1. Orders are only binding if they are placed by using Erfurt & Sohn's properly signed order form or in written form including a purchase order number. Any additional arrangements and commitments are provided for in the individual case by separate agreements in writing.
- 2.2. Prior to order acceptance, the supplier is obligated to make Erfurt & Sohn aware of any obvious mistakes (e.g. typos or calculation errors) and incompleteness of the order, including associated order documents, so that Erfurt & Sohn can rectify such mistakes or incompleteness. Failing to do so renders the agreement void.

3. Order confirmations, release, delivery notes and invoices

- 3.1. The order confirmation must include exact prices, delivery date, order number, delivery quantity, article number and supplier number. If, within 5 working days after receipt of Erfurt & Sohn's order, the supplier does not accept the order in writing or by sending the goods, acceptance is considered to be late. Late acceptance will be considered as a new offer. Erfurt & Sohn reserves the right to renegotiate the order and is entitled to cancel the order free of charge.
- 3.2. Erfurt & Sohn will describe in detail the services and products to be provided under the agreement by providing as specific information as possible as to quality, dimensions etc. The supplier will promptly contact Erfurt & Sohn if the supplier is in doubt regarding any details of the services and products to be provided under the agreement. Deviations from the specifications provided by Erfurt & Sohn are only permitted to the extent they are approved by Erfurt & Sohn in writing.

- 3.3. If outturn samples or release samples are requested from Erfurt & Sohn prior to production, series production may only commence after the sample is approved in writing.
- 3.4. A delivery note must be enclosed with each delivery. The delivery note must contain at least the following information: Order number, article number, supplier number, delivery address and delivery quantity.
- 3.5. All invoices are to be issued as a single original. Invoices must contain order number article, item and supplier number to facilitate electronic data recording of the invoice. Invoices that are not compliant with the above provision will be returned without this resulting in justification for any claims for late payment. The cash discount agreed between Erfurt & Sohn and the supplier must also be shown on the invoices. Furthermore, the respective VAT-ID number must generally be provided. In the case of imports also the VAT-ID number of Erfurt & Sohn (DE126450114).
- 3.6. Invoices are settled on the 15th day of the month following receipt of the invoice with the deduction of 3 % cash discount unless otherwise agreed.
- 3.7. Erfurt & Sohn has the unrestricted right to set-off and right of retention within the scope of the statutory provisions.

4. Delivery dates and default

- 4.1. If the Erfurt & Sohn specifies delivery dates in the order form, the supplier is obligated to meet exactly these dates. The delivery period begins on the date of the order form. Delivery periods or dates are met if the goods reach the agreed place of performance or, if no such place of performance is agreed, the warehouse of Erfurt & Sohn within the set deadline.
- 4.2. If the supplier is in default, Erfurt & Sohn is entitled to all legal claims. Erfurt & Sohn has, in addition, the right to demand payment of 1% of the delivery value (invoice net amount excluding VAT) as compensation for the delay for each week or part thereof the supplier is in default of delivery. The compensation may, however, not exceed in total 5% of the delayed delivered goods' net price. Erfurt & Sohn reserves the right to furnish proof that it has suffered greater damages. The supplier may, however, furnish proof that Erfurt & Sohn has suffered no damages at all or only a significantly lesser damage from the default.
- 4.3. If the supplier is in delay of performance, Erfurt & Sohn has also the right to set a reasonable grace period for the supplier in conjunction with a warning that Erfurt & Sohn will reject performance of the agreement after the set period has expired without success. Thereafter, Erfurt & Sohn has the right to demand damages for non-performance or withdraw from the agreement. Additional statutory damage claims remain unaffected.
- 4.4. The supplier is obligated to promptly inform Erfurt & Sohn, if the supplier can foresee circumstances under which the supplier cannot meet the set delivery deadline. In this case, the supplier is also obligated to communicate at the same time a reasonable, prompt and binding delivery date. The obligation to meet the initially agreed dates remains unaffected.
- 4.5. Erfurt & Sohn is authorised to change the time and location of a delivery, as well as type of packaging, at any time by written notice with a minimum period of 5 calendar days prior to the agreed delivery date. The same applies to changes of product specifications, provided such changes can be applied within the supplier's normal production process without significant additional efforts, whereby in these cases the notice period after the above sentence is at least 5 calendar days. Erfurt & Sohn will reimburse the supplier for any demonstrated reasonable additional costs the supplier has incurred due to the requested change. If such changes cause delays in delivery that cannot be avoided within the normal course of production and business operations using reasonable efforts, the initially agreed delivery date is deferred accordingly. The supplier will notify Erfurt & Sohn in good time in writing prior to the delivery date of the expected additional costs or delays in delivery based on the supplier's due assessment, however, at a minimum within 2 working days after receipt of Erfurt & Sohn's notification according to sentence 1.

- 4.6. The supplier may only claim failure of delivery of the necessary documents to be provided by Erfurt & Sohn, if the supplier did not receive these documents within a reasonable period in spite of a timely request by the supplier in writing.

5. Pricing, shipment and transfer of risk and default in acceptance

- 5.1. The prices are fixed prices. General price increases until the delivery date can only be applied if they are expressly provided for in the agreement.
- 5.2. All agreed contractual provisions must be Incoterms compliant. The Incoterms version in force on the order date applies. Delivery is “DDP” (delivery duty paid, including all payable fees), including packaging.
- 5.3. The supplier may only exercise a right to offset or a right of retention in the case of uncontested counterclaims or legally enforced counterclaims. Payments do not represent an acknowledgment that the delivery of goods or the provision of services is in compliance with the agreement.
- 5.4. Packaging material that is subject to return must be credited in full. We will return packaging materials carriage forward. The supplier is obligated to accept returned packaging according to Section 15 et seq. German Packaging Ordinance. In the case of recurring delivery relationships, return of packaging may be accomplished with the next delivery. Any deviations from the above provisions require a separate arrangement.
- 5.5. Notwithstanding the agreed delivery terms, the risk of accidental loss and accidental deterioration is borne by the supplier until Erfurt & Sohn assumes the goods at the delivery location. Delivery is to be made to Erfurt & Sohn’s place of business in Wuppertal, if a delivery location is not provided and Erfurt & Sohn has not agreed otherwise.
- 5.6. Erfurt & Sohn has the right to reject over or under deliveries that are not contractually agreed. The same applies if the goods are delivered before the agreed delivery date. Erfurt & Sohn has the right to return the goods at the risk and expense of the supplier or to store the goods at a third party.
- 5.7. The supplier is obligated to specify Erfurt & Sohn’s order number on all delivery papers and delivery notes. If the supplier fails to do so, Erfurt & Sohn is not responsible for any processing delays.
- 5.8. The supplier is obligated to inform Erfurt & Sohn in writing of the shipment date prior to goods shipment.
- 5.9. The statutory provisions apply to Erfurt & Sohn’s default in acceptance. The supplier is, however, obligated to expressly offer its services to Erfurt & Sohn in such case, if a fixed or definable calendar date/time is agreed for an act or cooperation on the part of Erfurt & Sohn (e.g. provision of material). In the event Erfurt & Sohn is in default in acceptance, the supplier may demand compensation for its additional expenses (Section 304 German Civil Code [BGB]). If the delay concerns non-fungible goods to be custom-built by the supplier (individual production), the supplier is only entitled to additional rights, if Erfurt & Sohn undertook to cooperate and is responsible for the failure to cooperate.

6. Goods receipt

Goods are only accepted during the customary business hours of Erfurt & Sohn: Monday through Thursday from 7:00 am to 3:00 pm and Friday from 7:00 am to 2:00 pm. Please plan for waiting times during the breaks from 12:30 pm to 1:15 pm.

7. Obligation to give notice of defects / complaints

- 7.1. Erfurt & Sohn is obligated to inspect the goods within a reasonable period regarding non-compliance with quality and quantity specifications. A notice of defects is given in good time, if the supplier receives the notice within 5 working days from goods receipt or in the case of hidden defects from discovery. The statutory provisions (Sections 377, 381 German Commercial Code [HGB]) apply to the commercial duty to inspect and to give notice of defects as follows: Erfurt & Sohn’s duty to inspect is limited to defects which are apparent by visual inspection, including shipping documents, as well as Erfurt & Sohn’s quality control by way of random

sample tests (e.g. transport damages, shipping errors and under delivery). The duty to inspect does not apply, if acceptance of the delivered goods is agreed. Moreover, the extent to which an inspection is feasible and possible must be taken into account according to the proper course of business and under consideration of the individual circumstances.

- 7.2.** In the case of major quantities, inspection of goods by Erfurt & Sohn is limited to random sample tests. Defects that are not discovered during this procedure are considered to be hidden defects. If a random sample test shows that the defects of a delivery exceed the agreed figures (AQL, PPM), Erfurt & Sohn has the right to assert warranty claims for the delivery as a whole.
- 7.3.** The above provisions also apply to over or under deliveries; they also apply to the delivery of other, albeit acceptable goods in terms of Section 377 German Commercial Code [HGB]. In the case of bulk articles a tolerance of $\pm 5\%$ is permitted.
- 7.4.** If Erfurt & Sohn concluded a quality management agreement with the supplier to ensure the quality of deliveries, the above provisions a) to c) only apply insofar as deviating provisions were not agreed in the quality management agreement.

8. Warranty

- 8.1.** In the case of a defect, Erfurt & Sohn is, at its discretion, entitled to the statutory rights. In particular, Erfurt & Sohn is authorised:
 - 8.1.1.** to return the defective goods at the supplier's expense and risk and demand replacement free from defects or to waive replacement and back-charge the goods' invoice value or to demand damages for non-performance or
 - 8.1.2.** to perform or have third parties engaged by Erfurt & Sohn perform, measures without prior consultation to remedy minor defects or to prevent disproportionate major damages or to avoid risks to operational safety at Erfurt & Sohn's site or its customers' sites at the supplier's expense. Erfurt & Sohn will promptly inform its suppliers in writing of the reasons for, type and scope of such measures.
- 8.2.** The supplier guarantees that the use of the services and products under the agreement does not infringe upon intellectual property right of third parties (e.g. patents, patent applications, utility models, design patents, copyrights), as well as the business secrets of third parties.
- 8.3.** Erfurt & Sohn also has a claim to the aforementioned rights if the supplier is in default with the remedy of a defect. If Erfurt & Sohn is nevertheless held liable by a third party, the supplier is obligated to indemnify Erfurt & Sohn from and against such claims on first demand in writing.

9. Supplier recourse

- 9.1.** In addition to the claims for defects, Erfurt & Sohn are entitled without restriction to the legal claims for expenses and recourse within a supply chain (supplier recourse in accordance with Sections 478, 445a, 445b and Sections 445c, 327 para. 5, 327u German Civil Code [BGB]). Erfurt & Sohn is in particular entitled to demand exactly the type of subsequent fulfilment (rectification or replacement) from the supplier that Erfurt & Sohn owes its customers on a case by case basis. In the case of goods with digital elements or other digital content, this also applies with regard to the provision of any necessary updates. Erfurt & Sohn's statutory right to choose (Section 439 para. 1 German Civil Code [BGB]) is not restricted by this.
- 9.2.** Before Erfurt & Sohn acknowledges or fulfils any claims for defects asserted by its customers (including reimbursement of expenses in accordance with Sections 445a para. 1, 439 paras. 2, 3, 6 sentence 2, 475 para. 4 German Civil Code [BGB]), Erfurt & Sohn will inform the supplier and request a written statement with a brief description of the facts. If a substantiated statement is not made within a reasonable period of time and no amicable solution is reached, the claim for defects actually granted by Erfurt & Sohn is deemed to be owed by the supplier. Counter evidence in this case is incumbent upon the supplier.

9.3. The supplier's recourse claims shall also apply if the defective goods have been combined with another product or processed in any other way by Erfurt & Sohn, its customers or third parties, e.g. by assembly, attachment or installation.

10. Liability

- 10.1.** The supplier indemnifies Erfurt & Sohn from any claims made against Erfurt & Sohn insofar as the cause lies within the supplier's sphere of control and organisation and the supplier itself is liable to third parties.
- 10.2.** The supplier is also liable under the same circumstances for damages and/or expenses in accordance with Sections 683, 670 German Civil Code [BGB] which Erfurt & Sohn incurs from product liability claims (national or international). This also applies to precautionary measures against liability claims (e.g. recall actions). Erfurt & Sohn will, as far as possible and reasonable, inform the seller of the content and scope of any recall measures and give the seller the opportunity to make a statement. Additional statutory claims remain unaffected.
- 10.3.** The supplier is obliged to take out a product liability insurance/business liability insurance with a lump-sum insured amount of at least EUR 10 million per case of personal injury/property damage and to provide proof of this on request by Erfurt & Sohn.

11. Other Claims

If Erfurt & Sohn safeguards property of third parties that is located in Erfurt & Sohn's premises in connection with the performance of customer orders, Erfurt & Sohn is only liable for intentional or gross negligence in the case such property is destroyed or damaged.

12. Limitation period

- 12.1.** The reciprocal claims of the contractual parties become time-barred in accordance with the statutory provisions, unless otherwise provided.
- 12.2.** Notwithstanding Section 438 para. 1 No 3 German Civil Code [BGB], the general limitation period for claims for defects is 3 years, commencing with the transfer of risk. Where acceptance is agreed, the limitation period commences upon acceptance. The 3-year limitation period applies mutatis mutandis to claims arising from defects in title, without prejudice to the statutory limitation period for in rem claims for restitution by third parties (Section 438 para. 1 No 1 German Civil Code [BGB]); in addition, claims arising from defects in title are on no account time-barred as long as the third party can still assert the right against Erfurt & Sohn, in particular without limitation.
- 12.3.** The limitation periods of sales law, including the above extension, apply to all contractual claims for defects to the extent provided by law. Insofar as Erfurt & Sohn is also entitled to extra-contractual claims for damages due to a defect, the regular statutory limitation period (Sections 195, 199 German Civil Code [BGB]) applies, unless the application of the limitation periods of the sales law leads to a longer limitation period in the individual case.

13. Reservation of title

Transfer of ownership of the goods to Erfurt & Sohn is unconditional and without regard to the payment of the price. If Erfurt & Sohn accepts the supplier's offer of transfer of ownership subject to payment of the purchase price, the supplier's retention of title shall expire at the latest upon payment of the purchase price for the goods delivered. Erfurt & Sohn is entitled to resell the goods in the ordinary course of business, even before payment of the purchase price, subject to assignment in advance of the claim arising therefrom (alternatively, the simple retention of title extended to the resale applies). In any case, all other forms of extended and prolonged reservation of title are excluded, so that an effective reservation of title declared by the supplier is only effective until payment of the goods delivered to Erfurt & Sohn and only applies to such delivered goods.

14. Secrecy, use of the company name, sub-suppliers

- 14.1.** Erfurt & Sohn reserves all proprietary rights and copyrights to in illustrations, plans, drawings, calculations, executive instructions, product descriptions and other documents. Such documents are to be used exclusively for the performance of the contract and returned to Erfurt & Sohn upon completion of the contract. The documents are to be kept secret from third parties, even after termination of the contract. The duty of confidentiality will only expire if and to the extent that the information contained in the documents handed over has become generally known. Special confidentiality agreements and legal regulations for the protection of secrets remain unaffected.
- 14.2.** The above provision applies mutatis mutandis to substances and materials (e.g. software, finished products and semi-finished products) as well as to tools, models, samples and other items provided by Erfurt & Sohn to the supplier for production. Until such time as they are processed, such items are to be stored separately at the supplier's expense and adequately insured against destruction and loss.
- 14.3.** Any mention of Erfurt & Sohn's company name for advertising purposes in business letters, customer lists, brochures and other publications is only permitted with Erfurt & Sohn's prior written consent.
- 14.4.** Rights and obligations arising from the order, as well as their exercise, may only be transferred with Erfurt & Sohn's written consent, unless supply by sub-suppliers is customary in the industry.

15. Place of jurisdiction, place of performance, governing law

- 15.1.** The relationships between Erfurt & Sohn and its suppliers are exclusively governed by the laws of the Federal Republic of Germany under exclusion of the Hague Convention on the Law Applicable to the International Sale of Goods and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 15.2.** Place of performance for all existing mutual obligations from this contractual relationship is Wuppertal, unless expressly agreed otherwise.
- 15.3.** The exclusive place of jurisdiction is Schwelm, Germany, provided that the supplier is a merchant, a legal entity under public law or a special fund under public law. Erfurt & Sohn also has the right to bring legal action before the competent court at the registered offices of the supplier.

16. Supplier code of conduct

- 16.1.** The supplier is to meet all social, labour and environmental standards and comply with the requirements of the Supply Chain Sourcing Obligations Act as amended. In particular, this includes the following requirements:
- The supplier respects the dignity and personal rights of its own employees and of all stakeholders with whom it has a connection through activities, business relationships or products. This includes, for example, physical or psychological violence, discrimination of any kind, sexual abuse, bullying and suppression of freedom of speech and religion.
 - The supplier must not employ any children. According to the International Labour Organisation, the minimum age for employment is 15. Forced labour and human trafficking will not be tolerated under any circumstances.
 - The supplier will act responsibly in the use of natural resources and comply with all environmental regulations and laws in the country concerned.
- 16.2.** All requirements can be found in Erfurt & Sohn's supplier code of conduct. The current version can be accessed at <https://www.erfurt.com/de/service/kontakt/einkauf/allgemeine-einkaufsbedingungen/>.
- 16.3.** The supplier is obliged to inform Erfurt & Sohn immediately of any recognised risks or violations of the prohibitions listed in the supplier code of conduct in its own business area. Upon request, the supplier must provide appropriate evidence of compliance with the above requirements of the supplier code of conduct.

16.4. Any culpable breach of the requirements set out in the supplier code of conduct constitutes good cause for extraordinary termination under Section 314 German Civil Code [BGB].

17. Severability clause

Should individual provisions of these Ts&Cs or the purchasing transaction be or become ineffective as a whole or in part, this does not affect the effectiveness of the remaining provisions or remaining parts of such clauses. The parties to this agreement are obligated to replace the invalid or impractical provision from the start of its invalidity or impracticability by a provision that is economically as similar as possible. The same applies if the parties failed to address a certain matter in this Agreement (Regelungslücke).

ERFURT & SOHN KG

Wuppertal, January 2023

Local Court Hagen, HRA 4191