

## **General Terms and Conditions of Purchase of Starrag GmbH, Chemnitz**

### **1.0 Scope of application**

1.1 We order on the basis of our General Terms and Conditions of Purchase.

Other conditions shall not become part of the contract, even if we do not expressly object to them. If we accept the delivery/service without express objection, it may not be inferred from this under any circumstances that we have accepted the Supplier's terms and conditions of delivery.

1.2 When submitting offers, the Supplier shall declare its agreement with our General Terms and Conditions of Purchase. In the absence of such an express declaration, the execution of the order shall in any case be deemed to be acceptance of our General Terms and Conditions of Purchase.

1.3 These General Terms and Conditions of Purchase shall also apply to all future contractual relationships with the Supplier.

### **2.0 Conclusion of contract**

2.1 If the Supplier prepares a quotation on the basis of an inquiry from us, it must adhere precisely to the inquiry from us and, in the event of deviations, expressly draw our attention to them. Quotations shall be marked with the inquiry number.

2.2 Only orders placed in writing shall be legally binding. Orders placed orally or by telephone require our subsequent written confirmation in order to be legally valid. The order shall therefore be deemed binding at the earliest upon written submission or confirmation. The same applies to verbal subsidiary agreements and amendments to the contract. Performed services or deliveries without a written order from us shall not be recognized.

2.3 Orders, delivery schedules as well as their amendments and supplements may - after prior written agreement - also be made by remote data transmission or by machine-readable data carriers. In the case of informal business transactions, the order shall be deemed to be a commercial letter of confirmation.

2.4 If the Supplier does not accept our orders in writing within 14 calendar days after receipt, we shall be entitled to revoke the order.

2.5 The submission of offers by a Supplier shall be non-binding and free of charge for us. Remuneration for visits or the preparation of offers, projects, etc. shall not be granted unless remuneration has been expressly agreed or there is a legal entitlement thereto.

2.6 The following documents shall become part of the contract in the following order:

- the order letter
- these General Terms and Conditions of Purchase,
- the technical specifications according to the order letter
- the general specifications and the standards of the Purchaser.

2.7 The Supplier shall treat the conclusion of the contract as confidential and may only refer to business connections with us in advertising materials after we have given our written consent.

2.8 The parties to the contract undertake to keep confidential all commercial or technical details which are not or technical details which become known to them through the business relationship shall be treated as business secrets. Subcontractors shall be bound accordingly.

2.9 If one of the contracting parties recognizes that information to be kept secret has come into the possession of an unauthorized third party or that a document to be kept secret has been lost, it shall inform the other contracting party thereof without delay.

2.10 We may request changes to the delivery item even after conclusion of the contract, provided that this is reasonable for the Supplier. In the event of such a change to the contract, the effects shall be taken into account by both parties in an appropriate manner, in particular with regard to additional or reduced costs as well as delivery dates.

### **3.0 Prices, Shipping, Packaging**

3.1 The agreed prices are fixed prices and exclude subsequent claims of any kind. If no prices are stated in the order, the Supplier's current list prices shall apply with the customary deductions. The agreement on the place of performance shall not be affected by the type of pricing. If no special agreement has been made, the prices shall be understood CPT place of use (according to Incoterms 2020).

3.2 Costs for packaging and transport to the shipping address or place of use specified by us as well as for customs formalities and customs duties are included in the prices.

3.3 If a price "ex works", "ex warehouse" or equivalent has been agreed, the in-house freight forwarder specified by us shall be engaged. All costs incurred until handover to the carrier, including loading and cartage, shall be borne by the Supplier.

3.4 Shipment shall be at the risk of the Supplier. The risk of any deterioration, including accidental loss, shall thus remain with the Supplier until delivery to the shipping address or place of use requested by us.

3.5 Notification of dispatch must be given at the latest when the goods are dispatched.

3.6 The shipping address and our order number must be stated in shipping notices or delivery bills, waybills, package addresses, invoices and all correspondence.

3.7 We shall only accept the quantities or numbers of items ordered by us. Over- or under-deliveries are only permissible after prior agreement with us.

3.8 The Supplier's obligation to take back the packaging shall be governed by the statutory provisions. The goods shall be packed in such a way that transport damage is avoided. Packaging materials shall only be used to the extent necessary to achieve this purpose. Only environmentally friendly packaging materials may be used. If, by way of exception, packaging is invoiced to us separately, we shall be entitled to return packaging which is in good condition to the Supplier carriage paid against payment of 2/3 of the value resulting from the invoice.

### **4.0 Invoicing and payment**

4.1 Invoices shall be submitted to us separately in proper form in duplicate with all associated documents and data after delivery has been made. Invoices not properly submitted shall only be deemed to have been received by us from the time of correction. We shall have the right to refuse performance until the proper invoice has been submitted. The actual quantities, weights or other units on which the delivery is based as well as the agreed prices shall be decisive for the payment.

4.2 Insofar as certificates of material tests have been agreed, they shall form an integral part of the delivery and shall be sent to us together with the delivery. They must be received by us no later than 5 calendar days after receipt of the invoice.

4.3 Unless otherwise agreed, payment shall be made either within 14 calendar days with a 3% discount, within 30 calendar days with a 2% discount or within 60 calendar days without discount.

4.4 The payment periods shall run from receipt of the invoice, but not before receipt of the goods or performance of the services and, if documentation and test certificates are part of the scope of services, not before they are handed over to us in accordance with the contract.

4.5 Payment of an invoice shall not be deemed to be a waiver of a notice of defects with respect to the invoiced goods. In the event of defective or incomplete delivery, we shall be entitled to withhold payment pro rata until proper performance.

4.6 In the case of advance payments, the Supplier shall provide adequate security in the form of a bank guarantee in accordance with our sample.

#### **5.0 Delivery dates, delay in delivery, force majeure**

5.1 The agreed delivery dates shall be binding. If a fixed delivery date is not met, the Supplier shall be in default of delivery without any reminder being required. The receipt of the goods at the place of receipt or use specified by us shall be decisive for compliance with the delivery date or the delivery period. If acceptance is required, the Supplier shall be in default without a reminder if he has not performed the service by the agreed date in such a way that acceptance cannot be refused.

5.2 If the Supplier realizes that an agreed date cannot be met for any reason, he shall notify us in writing without delay, stating the reasons and the expected duration of the delay.

5.3 If the Supplier exceeds the agreed delivery date and is in default as a result, we shall be entitled to demand a penalty for delay amounting to 0.10% of the total order value per working day or part thereof, but not more than 5% of the total order value. The contractual penalty shall be set off against any claim for damages for delay.

5.4 In addition to the penalty for delay, we may claim compensation for the damage resulting from the delay in delivery. In this case, the forfeited penalty for delay shall be offset.

5.5 After the unsuccessful expiry of a reasonable period of grace set by us, we shall be entitled, at our discretion, to claim damages instead of performance or to procure a replacement from a third party or to declare our withdrawal from the contract. The claim to the delivery/service shall expire as soon as we demand damages instead of the service in writing or declare withdrawal.

5.6 The Supplier may only invoke the absence of necessary documents to be supplied by us if he has sent a written reminder for the documents and has not received them within a reasonable period of time. 5.7 Force majeure and labor disputes shall release the contracting parties from their performance obligations for the duration of the disruption and to the extent of its effect. The contractual partners shall be obliged to provide the necessary information without delay within the scope of what is reasonable and to adjust their obligations to the changed circumstances in good faith.

5.8 We shall be released from the obligation to accept the ordered delivery/service in whole or in part and shall be entitled to withdraw from the contract in this respect if the delivery/service can no longer be utilized by us - taking into account economic aspects - due to the delay caused by force majeure or the labor dispute.

5.9 If delivery is made earlier than agreed, we reserve the right to return the goods at the Supplier's expense. If no return is made in the case of early delivery, the goods shall be stored by us until the delivery date at the expense and risk of the Supplier. In the event of early delivery, we reserve the right to make payment only on the agreed due date.

5.10 We shall accept partial deliveries only upon express agreement. In the case of agreed partial shipments, the remaining quantity shall be listed.

#### **6.0 Provisions**

6.1 Materials and equipment provided shall remain our property. Upon acceptance of the materials and equipment provided, the risk of destruction, loss or damage shall pass to the Supplier.

6.2 The Supplier must notify us immediately of any impending seizure or other impairment of our property by third parties and must mark the items owned by us as our property and store them separately if necessary.

#### **7.0 Models, tools, documents**

7.1 Models and tools made by the Supplier at our expense shall become our property after payment. They shall be carefully handled and stored by the Supplier and insured against catastrophes such as fire, water, theft, loss and other damage at the Supplier's expense. Resale of parts manufactured according to these models and tools is not permitted without our express written approval.

7.2 Drawings, plans and sketches which we provide to the Supplier for the manufacture of the ordered items shall remain our property. The Supplier undertakes to treat them with care, not to make them available to third parties, to make copies only for the purpose of executing the order and to return all documents including the copies to us after execution of the delivery.

#### **8.0 Warranty, guarantee**

8.1 The agreed specification is an integral part of the order and may only be changed with the consent of both parties. Any binding description of the scope of delivery or a drawing shall also be deemed to be a specification.

8.2 The Supplier guarantees that all deliveries/services comply with the latest state of the art, the relevant legal provisions and the regulations and guidelines of authorities, trade associations and professional associations.

8.3 If we inform the Supplier of the intended use and the required data of the product to be delivered, the Supplier shall guarantee the suitability of the product for the application.

8.4 If deviations from these regulations are necessary in individual cases, the Supplier must obtain our written consent. The Supplier's liability for defects shall not be limited by this consent.

8.5 If the Supplier has reservations about the type of execution requested by us, he must inform us of this in writing without delay.

8.6 Furthermore, the Supplier guarantees that deliveries/services are free of third party rights and that he has unrestricted rights of disposal.

8.7 The Supplier undertakes to use environmentally friendly products and processes for its deliveries/services and also for subcontracted or ancillary services of third parties within the scope of the economic and technical possibilities. The Supplier shall be liable for the environmental compatibility of the products and packaging materials supplied and for all consequential damage resulting from the violation of your statutory disposal obligations.

8.8 At our request, the Supplier shall issue a certificate of quality for the delivered goods.

8.9 The Supplier shall be obliged to hand over the safety data sheets applicable to his delivery together with the delivery. He shall indemnify us against all recourse claims by third parties in the event that he fails to provide us with the safety data sheets, or provides them late or incorrectly. The same shall apply to all late modifications.

8.10 Defects of the delivery/service notified during the warranty period, which also include the non-achievement of guaranteed data and the absence of warranted characteristics, shall be remedied by the Supplier upon request immediately and free of charge, including all ancillary costs, at our discretion by rectification or replacement of the defective parts or new delivery.

8.11 After the unsuccessful expiry of a reasonable period set by us for rectification or new delivery, we shall also be entitled to the statutory rights of withdrawal or reduction.

8.12 We reserve the right to assert claims for damages in all cases. In urgent cases or for the purpose of minimizing damage, any defects discovered, in particular those that become apparent during processing, shall be remedied at our plant at the Supplier's expense, whereby the Supplier shall reimburse our cost price.

8.13 Goods not delivered in accordance with the contract may be returned or stored at our discretion at the Supplier's expense and risk.

8.14 If the Supplier culpably fails to meet its obligations under the liability for defects within a reasonable period set by us, we may take the necessary measures ourselves or have them taken by third parties at the Supplier's expense and risk. In urgent cases, we may, after consultation with the Supplier, carry out the rectification ourselves or have it carried out by a third party. Minor defects may be remedied by us ourselves - in fulfillment of our duty to minimize damage - without prior coordination, without this limiting the Supplier's obligations under the liability for defects. We may then charge the Supplier for the necessary expenses. The same shall apply if unusually high damages are imminent.

8.15 We shall also have the right to choose the type of subsequent performance in the case of a contract for work and services, unless the Supplier has the right to refuse subsequent performance or we choose an unreasonable right of subsequent performance vis-à-vis the Supplier.

8.16 The warranty period shall be 36 months, unless expressly agreed otherwise. It shall commence with the handover of the delivery item to us or to the third party named by us at the place of receipt or use specified by us. In the case of devices, machines and systems, the warranty period shall commence on the acceptance date stated in our written acceptance declaration. If the acceptance is delayed through no fault of the Supplier, the warranty period shall commence no later than 12 months after the delivery item has been made available for acceptance. The warranty period for buildings and building materials shall be governed by the statutory provisions; for spare parts it shall be 36 months after installation/commissioning and shall end no later than 48 months after delivery.

8.17 For delivery parts which could not remain in operation during the investigation of a defect and/or the elimination of the defect, a current warranty period shall be extended by the time of the interruption of operation.

8.18 For repaired or newly delivered parts, the warranty period shall recommence upon completion of the repair or, if acceptance has been agreed, upon acceptance. If necessary, the acceptance must be requested from us in writing.

8.19 If an official acceptance of the work or the workpieces is stipulated, it shall take place at the Supplier's works.

8.20 The Supplier guarantees that plants are designed for a minimum period of 10 years and that spare parts will be available within this period from delivery of the plant.

8.21 In the event of defects of title, the Supplier shall indemnify us against any claims of third parties for which the Supplier is responsible.

8.22 For delivery items whose handling, processing and/or installation is not generally known, assembly and commissioning instructions, maintenance instructions etc. shall be handed over to us without special request, at the latest upon delivery of the items, with reference to the order number. In case of failure to do so, the Supplier shall also be liable for such damage caused by improper handling, processing and/or installation.

## **9.0 Product liability**

9.1 If claims are asserted against us for violation of official safety regulations or on the basis of domestic or foreign product liability regulations or laws due to a defectiveness of the product which is attributable to the goods of the Supplier, then we shall be entitled to demand compensation for this damage from the Supplier insofar as it is caused by the products delivered by the Supplier. This damage shall also include the costs of a precautionary recall action.

9.2 If a defect occurs in a part supplied by the Supplier, it shall be presumed that the defect arose exclusively within the Supplier's sphere of responsibility.

9.3 The Supplier shall mark the delivery items in such a way that they are permanently recognizable as the Supplier's products.

9.4 The Supplier shall carry out quality assurance measures of a suitable type and scope and in accordance with the latest state of the art and shall provide us with evidence thereof upon request. The Supplier shall conclude a corresponding quality assurance agreement with us, insofar as we consider this to be necessary.

9.5 The Supplier undertakes to ensure permanent quality assurance by means of suitable tests and inspections during the manufacture of the delivered parts. The Supplier shall prepare documentation on the tests in accordance with DIN-ISO 9001 to 9004. We shall have the right to convince ourselves of the manner in which the tests and inspections have been carried out on site, if necessary also at sub-Suppliers. Expenses which become necessary for the purpose of remedying defects as well as transport risks shall be borne by the Supplier.

9.6 In addition, the Supplier shall insure itself against all risks arising from product liability, including the risk of recall, in an appropriate amount and shall submit the insurance policy to us for inspection upon request.

## **10.0 Industrial property rights**

10.1 The Supplier warrants that all deliveries are free from third party property rights and, in particular, that patents, licenses or other property rights of third parties are not infringed by the delivery and use of the delivery items.

10.2 The Supplier shall indemnify us and our customers against claims of third parties arising from any infringements of industrial property rights and shall also bear all costs incurred by us in this connection.

10.3 We shall be entitled, at the Supplier's expense, to obtain the authorization to use the relevant delivery items and services from the entitled party.

## **11.0 Prevention of accidents**

11.1 If the Supplier has to perform the services on our premises, he shall ensure that all regulations on accident prevention at the workplace and the corresponding regulations of the employers' liability insurance associations are complied with by his legal representatives or vicarious agents.

11.2 The Supplier shall be liable for any damage caused to us, our employees or third parties due to inadequate information or compliance with the safety regulations.

## **12.0 Liability**

12.1 The Supplier shall be liable for any form of breach of contract in accordance with the statutory provisions, unless otherwise stipulated in these terms and conditions.

12.2 The Supplier shall be liable within the scope of the statutory provisions for all damage to us and our end customers (personal injury, property damage and financial loss) culpably caused by the Supplier, its vicarious agents and employees. In case of doubt, the burden of proof that the Supplier and its employees are not at fault

for the event causing the damage lies exclusively with the Supplier.

12.3 The Supplier shall be liable for all damage resulting from non-compliance with the above obligation. In addition, the Supplier shall immediately indemnify us against any claims of third parties arising therefrom.

12.4 The risks arising from delivery, assembly and commissioning shall be insured by the Supplier with a sum of at least EUR 1.5 million for personal injury, property damage and financial loss. The amount of liability shall remain unaffected.

### **13.0 Foreign business**

13.1 If the Supplier has its place of business abroad, the following shall apply in addition:

13.2 The relationship between the Supplier and us shall be governed exclusively by German substantive law.

13.3 An offer shall only be deemed to have been accepted at the point in time at which the offeror receives the declaration of acceptance or at the point in time at which the offeror becomes aware of the action of the acceptor which is to be regarded as consent.

13.4 If we declare the cancellation of the contract due to a delayed delivery, we may make a covering purchase within 6 months. The price difference shall be borne by the Supplier.

13.5 If the goods or the service lacks a feature or characteristic stipulated in the specification, this shall constitute a material breach of contract.

13.6 Goods must be inspected within 4 weeks after handover at the place of use, but no later than 8 weeks after handover at the place of performance.

13.7 A defect must be notified within 4 weeks after the defect is discovered or should have been discovered.

13.8 Even in the case of non-substantial breaches of contract, we shall be entitled, at our discretion, to demand rectification or replacement and, if necessary, after setting an unsuccessful deadline, to demand damages, a reduction in price or cancellation of the contract.

13.9 A statutory exclusion period shall not be shortened by a contractual warranty period.

13.10 Provided that a defect has been notified in due time, we may, within the warranty period or within the statutory preclusion period after unsuccessful setting of a deadline, demand cancellation of the contract, rectification of the defect or replacement delivery.

13.11 If we have a claim for damages against the Supplier, this shall not be limited.

13.12 Payments shall be deemed to have been made in due time if a bank transfer has been commissioned on the last day of the payment period.

13.13 If one of the provisions of clause 13 is in conflict with the other General Terms and Conditions of Purchase, the provision of clause 13 shall prevail.

### **14.0 Safety and environmental protection**

14.1 The Supplier warrants that it will comply with all applicable environmental, health and safety regulations.

14.2 Environmentally compatible development and manufacture of the products as well as their transport, use and disposal shall be promoted by the Supplier.

14.3 The Supplier shall protect the life and health of its employees and neighbors, as well as that of the public, against hazards that may emanate from its manufacturing processes and products.

14.4 The Supplier shall use the resources it requires, such as water, energy sources, raw materials, efficiently and sparingly. It shall use energy-efficient and environmentally-friendly technologies and reduce its waste quantities as well as the emissions it causes to air, water and soil.

14.5 The Supplier shall reduce the impact of its activities on biodiversity, climate change and water scarcity.

14.6 The Supplier shall be committed to the development and use of climate-friendly products and processes to reduce electricity consumption and greenhouse gases.

14.7 In addition, the Supplier guarantees that it also imposes sustainability requirements on its Suppliers, as this is the only way we can meet the standard of a sustainable supply chain that we have set for ourselves.

### **15.0 Society**

15.1 Respect for human dignity and internationally recognized human rights is of particular importance to us. Thus, we expect that our Suppliers do not tolerate any kind of child labor as well as any kind of forced labor in their company and the previous supply chain.

15.2 In accordance with our corporate principles and the labor laws of the countries in which we operate, we do not tolerate discrimination of any kind. Accordingly, we expect our Suppliers to promote equal treatment in the workplace and to prohibit discriminatory behavior on the basis of gender, race, religion, age, disability, sexual orientation, national origin, ideology or other characteristics protected by law with immediate effect.

15.3 We shall ensure that the Supplier pays its employees an adequate and fair remuneration and social benefits that are in accordance with the applicable laws, and at the same time ensure an adequate standard of living.

15.4 The Supplier undertakes to support freedom of association in his company. Its employees must have the freedom to join a trade union/employee representation of their choice without threat or intimidation.

15.5 Furthermore, the Supplier shall undertake to ensure occupational safety as well as health protection at the workplace, at least within the framework of national regulations.

### **16.0 Governance**

16.1 The Supplier undertakes to prohibit corruption, extortion, embezzlement, money laundering and misappropriation in any form, not to practice them itself or to tolerate them in its own supply chain.

16.2 The Supplier warrants that it will observe and comply with all applicable national and international anti-corruption regulations, laws, rules and standards.

16.3 The Supplier is not entitled to accept bribes or other illegal payments or to offer them to its customers. This also includes other objects of value (direct as well as indirect) which represent more than a commemorative value in order to improperly influence official acts or to obtain an improper advantage with the aim of initiating or maintaining a business activity.

16.4 The Supplier warrants to act fairly in competition and to comply with the applicable antitrust laws at all times.

16.5 The Supplier shall ensure that no products are delivered to Starrag that contain raw materials/metals whose source minerals or derivatives originate from a conflict region where they contribute directly or indirectly to the financing or support of armed groups/terrorism.

### **17.0 Final provisions**

17.1 Should individual parts of these General Terms and Conditions of Purchase be legally invalid, the validity of the

remaining provisions shall not be affected thereby. Ineffective or unenforceable provisions shall be deemed to be replaced by valid or enforceable provisions which come closest in economic terms to the meaning and purpose of the ineffective or unenforceable provision. The same shall apply to any loopholes.

17.2 The Supplier shall not be entitled to pass on the order or essential parts of the order to third parties without our prior written consent.

17.3 Unless expressly agreed otherwise, the place of performance for the delivery obligation shall be the shipping address or place of use requested by us; for all other obligations of both parties it shall be Chemnitz.

17.4 The Supplier shall not be entitled to assign its claims against us without our prior written consent, which may not be unreasonably withheld.

17.5 If the Supplier suspends payments, if a preliminary insolvency administrator is appointed, if insolvency proceedings are opened against the assets of the Supplier or if protests against bills of exchange or checks exist against the Supplier, we shall be entitled to withdraw from the contract in whole or in part without any claims against us being able to be derived therefrom.

17.6 In the event of any disputes arising from the contractual relationship, if the Supplier is a registered merchant, a legal entity under public law or a special fund under public law, the action shall be brought before the court having jurisdiction over our principal place of business. We shall also be entitled to bring an action at the Supplier's principal place of business.

17.7 The contract language shall be German. If the contracting parties use another language in addition, the German wording shall prevail.

17.8 The legal relationship shall be governed German substantive law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

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