

## **Purchasing Conditions**

**of Gehring Technologies GmbH + Co. KG, Gehring Production GmbH + Co. KG, and Diato GmbH + Co. KG (referred to as "Gehring" hereafter)**

**Effective February 2024**

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## General Purchasing Conditions

### § 1 Scope and Form

(1) These General Terms and Conditions of Purchase (GTCP) apply to all business relationships of Gehring Technologies GmbH + Co KG, Gehringstraße 28, 73760 Ostfildern, Germany; Gehring Production GmbH + Co KG, C.-W.-Gehring-Straße 5, 06618 Naumburg, Germany and Diato GmbH + Co KG, Gehringstraße 28, 73760 Ostfildern, Germany (hereinafter referred to as "Gehring") with our business partners and suppliers ("Seller"). The GPC shall only apply if the Seller is an entrepreneur (Section 14 of the German Civil Code (BGB)), a legal entity under public law or a special fund under public law.

(2) The GPC apply in particular to contracts for the sale and/or delivery of movable goods ("Goods"), irrespective of whether the Seller manufactures the Goods itself or purchases them from suppliers (Sections 433, 650 BGB). Unless otherwise agreed, the GPC in the version valid at the time of the Buyer's order or in any case in the version last communicated to him in text form shall also apply as a framework agreement for similar future contracts without us having to refer to them again in each individual case.

(1) These GPC apply exclusively. Deviating, opposing, or supplementary General Terms and Conditions of the Seller will only become part of the contract if and to the extent that we have explicitly agreed to their validity in writing. This requirement of consent also applies if Gehring accepts the Seller's deliveries without reservation while being aware of the Seller's differing terms.

(2) Individual agreements (e.g., framework delivery agreements, quality assurance agreements) and details specified in our order take precedence over these GPC. Commercial terms are to be interpreted according to the Incoterms® 2000 published by the International Chamber of Commerce in Paris in their version valid at the time of conclusion of the contract, unless otherwise specified.

(3) Legally relevant declarations and notifications by the Seller concerning the contract (e.g., setting deadlines, reminders, rescission) must be made in writing. For these GPC, written form includes text form (e.g., letter, email, fax). Legal formal requirements and further evidence, particularly in cases of doubt about the legitimacy of the declarant, remain unaffected.

(4) References to the validity of statutory provisions are for clarification purposes only. Statutory provisions therefore apply even without such clarification, provided they are not directly modified or expressly excluded in these GPC.

### § 2 Contract Conclusion

(1) Our order becomes binding no earlier than its written issuance or, for orders placed by telephone, upon subsequent written confirmation. The Seller must notify us of any obvious errors (e.g., spelling or calculation mistakes) or incompleteness in the order, including its supporting documents, before acceptance, so corrections or completions can be made. Otherwise, the contract shall be considered as not concluded.

(2) The Seller is required to confirm our order in writing within 14 days, indicating the Gehring order number, article number, and contract number (acceptance).

(3) A delayed acceptance is considered a new offer and requires acceptance by us.

(4) Deviations from the original order must be

confirmed in writing by Gehring.

### § 3 Delivery Time and Delay

(1) The delivery time specified in the order is binding. The Seller must inform us immediately in writing if it expects to be unable to meet the agreed delivery time for any reason. The Seller must explain the cause of the delay, the actions taken to address it, and provide a new estimated delivery date for the products.

(2) If the Seller fails to perform within the agreed delivery time or is in default, our rights including withdrawal and damages are determined by statutory provisions.

(3) If the Seller is in default, we may, in addition to further legal claims, demand liquidated damages of 2.5% of the net price for each completed calendar week, up to a maximum of 10% of the net price of the delayed goods. We reserve the right to prove greater damages. The Seller retains the right to prove that no or significantly lesser damages were incurred.

### § 4 Performance, Delivery, Transfer of Risk, and Default in Acceptance

(1) Without our prior written consent, the Seller is not authorized to have the performance owed by it rendered by third parties (e.g., subcontractors). The Seller bears the procurement risk for its services unless otherwise agreed upon in individual cases (e.g., limitation to stock).

(2) Delivery shall be made according to INCOTERMS 2000 "FCA" (Free Carrier) to the location specified in the order. If the Seller delivers from abroad, the INCOTERM condition "DDP" (Delivered Duty Paid) applies, and the Seller must provide the necessary customs documents, particularly proof of duty payment, to Gehring.

(3) Deviations to shipping terms must be approved in writing by Gehring, and if Gehring assumes transport costs, the shipment must be made via a carrier authorized by Gehring.

(4) Delivery must be accompanied by a delivery note specifying the date (issue and dispatch), content of the delivery (Gehring item number, product number, quantities, and partial weights), country of origin, and our order identification (date and order number). Missing or incomplete delivery notes result in delays in processing and payment for which Gehring is not responsible.

(5) The risk of accidental loss or deterioration of the goods transfers to Gehring upon handover at the place of fulfillment.

(6) The statutory provisions shall apply to the occurrence of our default of acceptance. However, the Seller must also expressly offer us its performance if a specific or determinable calendar time has been agreed for an action or cooperation on our part (e.g. provision of material). If we are in default of acceptance, the Seller may demand compensation for its additional expenses in accordance with the statutory provisions (Section 304 BGB). If the contract relates to a non-fungible item to be manufactured by the Seller (individual production), the Seller shall only be entitled to further rights if we have undertaken to cooperate and are responsible for the failure to cooperate.

(7) The Seller shall ensure that the applicable statutory transport regulations and in particular the GGVSEB are complied with. If hazardous substances within the meaning of the Hazardous Substances Ordinance or products whose use does not rule out the release of such substances are delivered, the Seller shall provide Gehring or the service provider commissioned by Gehring with a corresponding safety data sheet or the data required to prepare the safety data sheet without being requested to do so.

## § 5 Prices and Payment Terms

- (1) The price specified in the order is binding, and any change due to subsequent cost increases is excluded. All prices include statutory VAT unless it is separately listed.
- (2) Unless otherwise agreed upon in individual cases, the price includes all services and ancillary services of the Seller (e.g., assembly, installation) as well as all additional costs (e.g., proper packaging, transport costs, including any transport and liability insurance).
- (3) The agreed price is due for payment within 45 calendar days after complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice. A proper invoice must state the Gehring order number, and, if applicable, the Gehring item number and contract number, and must be submitted both digitally and physically. If we make payment within 14 calendar days, the Seller grants a 3% discount on the net invoice amount. For bank transfers, the payment is deemed timely if our transfer order is received by our bank before the payment deadline; delays caused by banks involved in the payment process are not our responsibility.
- (4) We do not owe interest on maturity. Statutory provisions apply to payment default.
- (5) Set-off, retention rights, and the defense of non-performance of the contract are available to Gehring to the extent provided by law. Gehring is particularly entitled to withhold due payments as long as claims from incomplete or defective performance against the Seller exist.
- (6) The Seller is only entitled to offset or retain claims based on legally established or undisputed counterclaims.
- (7) Assigning claims or other rights by the Seller to third parties requires Gehring's prior written consent.

## § 6 Confidentiality

- (1) We retain ownership and copyright over all illustrations, plans, drawings, calculations, execution instructions, product descriptions, and other documents provided by us. These documents may only be used for contractual performance and must be returned to us after contract completion. They must be kept confidential from third parties, even after the contract ends. This confidentiality obligation only expires if and to the extent that the knowledge contained in the provided documents becomes public knowledge. Special confidentiality agreements and statutory provisions for confidentiality remain unaffected.
- (2) Any other information, as well as trade and business secrets disclosed to the Seller or otherwise learned by the Seller, must be treated strictly confidentially and may only be disclosed to third parties with Gehring's explicit consent. The confidentiality obligation only expires if and to the extent that the trade or business secret becomes public knowledge. Special confidentiality agreements and statutory provisions for confidentiality remain unaffected.

## § 7 Retention of Title

- (1) Insofar as Gehring provides the seller with materials and substances (e.g., software, finished and semi-finished products), as well as tools, templates, samples, and other items, Gehring retains ownership of these items. Such items must be stored separately at the seller's expense and insured against destruction and loss to an appropriate extent for as long as they remain unprocessed. Proof of insurance must be provided to Gehring upon request. In the event of damage or

destruction of the property, the seller is obligated to compensate Gehring for the damage at the replacement value.

- (2) Any processing, mixing, or combining (further processing) of provided items by the seller is carried out on our behalf. The same applies to the further processing of delivered goods by us, so that we are deemed the manufacturer and acquire ownership of the product upon further processing in accordance with statutory provisions.
- (3) The seller agrees to use provided items for the manufacture or design of products for third-party customers only with Gehring's prior written consent.
- (4) The transfer of ownership of the goods to us must occur unconditionally and without regard to payment of the price. If Gehring accepts a seller's offer conditioned on purchase price payment in individual cases, the seller's retention of ownership expires no later than upon payment of the purchase price for the delivered goods. We remain authorized, in the ordinary course of business and even before purchase price payment, to resell the goods under advance assignment of the claims arising from such resale (alternatively, the simple and extended retention of ownership applicable to resale applies). All other forms of retention of ownership, in particular extended retention, forwarded retention, and extended retention applicable to further processing, are excluded.

## § 8 Defects

- (1) Our rights concerning material and legal defects of the goods (including incorrect or insufficient delivery, improper assembly/installation, or defective instructions) and in cases of other breaches of duty by the seller are governed by statutory provisions, with the following additions and clarifications applicable solely in our favor.
- (2) According to statutory provisions, the seller is particularly liable for ensuring that the goods possess the agreed quality upon the transfer of risk to us. The agreed quality includes any product descriptions that form part of the respective contract, particularly those referenced in our order, or that are incorporated into the contract in the same manner as these GTC. If the seller receives drawings, samples, specifications, or other instructions from Gehring, these are solely decisive for the nature, quality, and execution of the ordered item or service. If these instructions give rise to doubts or concerns regarding Gehring's specifications, the seller must notify Gehring in writing before commencing serial production and may only begin production after receiving further written instructions from Gehring.

- (3) For goods with digital elements or other digital content, the seller owes the provision and updating of the digital content to the extent required by a quality agreement as per paragraph 2 or other product descriptions provided by the manufacturer or on its behalf, particularly on the internet, in advertisements, or on the product label.

- (4) We are not obligated to inspect the goods or inquire about potential defects at the time of contract conclusion. Partially deviating from § 442 (1) sentence 2 BGB, our defect claims remain fully valid even if the defect was unknown to us at the time of contract conclusion due to gross negligence.

- (5) The statutory provisions on commercial inspection and notification duties (§§ 377, 381 HGB) apply with the following provisions: Our duty to inspect is limited to defects that become apparent during our incoming goods inspection through external examination, including of delivery documents (e.g., transport damage, incorrect or insufficient delivery), or are detectable during random

sampling as part of our quality control. If acceptance is agreed upon, no inspection duty applies. Otherwise, the extent of the inspection is determined by what is feasible under proper business practices, considering the circumstances of the individual case. Our duty to notify defects discovered later remains unaffected.

(6) The obligation to rectify defects also includes the removal of defective goods and their reinstallation, provided the goods were installed in or affixed to another item in accordance with their type and intended purpose before the defect became apparent. Our statutory claim for reimbursement of corresponding expenses (removal and reinstallation costs) remains unaffected. The seller bears the costs necessary for inspection and rectification, including transport, travel, labor, and material expenses, as well as potential removal and reinstallation costs, even if it transpires that no defect existed. Our liability for damages in the event of an unjustified defect remedy request remains unaffected; however, we are only liable if we recognized or failed to recognize due to gross negligence that no defect existed.

(7) Without prejudice to statutory rights and the provisions of paragraph 5, the following applies: If the seller does not fulfill its obligation to rectify defects—either by remedying the defect or delivering a defect-free item (replacement delivery), at our discretion—within a reasonable period set by us, we may remedy the defect ourselves and claim reimbursement of the necessary expenses or an appropriate advance from the seller. If rectification by the seller fails or is unreasonable for us (e.g., due to particular urgency, endangerment of operational safety, or imminent disproportionate damages), no deadline is required; in such cases, we will inform the seller promptly, where possible in advance.

(8) In the event of a material or legal defect, Gehring is entitled to reduce the purchase price or withdraw from the contract under statutory provisions. Additionally, Gehring is entitled to claim damages and reimbursement of expenses in accordance with statutory provisions.

## § 9 Supplier Recourse

(1) Our statutory claims for reimbursement of expenses and recourse within a supply chain (supplier recourse pursuant to §§ 478, 445a, 445b, or §§ 445c, 327(5), 327u BGB) apply in full alongside defect claims. Gehring is particularly entitled to demand the exact type of supplementary performance (repair or replacement delivery) from the seller that we owe to our customer in any given case. For goods with digital elements or other digital content, this also includes the provision of required updates. Our statutory right of choice (§ 439(1) BGB) remains unaffected.

(2) Before acknowledging or fulfilling a defect claim asserted by our customer (including reimbursement claims under §§ 445a(1), 439(2), (3), (6) sentence 2, 475(4) BGB), we will notify the seller and request a written statement, briefly outlining the facts of the case. If a substantiated response is not provided within a reasonable period and no mutual solution is reached, the defect claim granted by us to our customer is deemed owed. The burden of proof to the contrary rests with the seller.

(3) Our supplier recourse claims also apply if the defective goods have been combined or otherwise further processed with another product by us, our customer, or a third party, such as through installation, attachment, or incorporation. The seller is expressly advised that the ordered item may be incorporated into Gehring products and must therefore ensure the unrestricted functionality of the ordered item.

## § 10 Product Liability

(1) If the seller is responsible for a product defect, they must indemnify Gehring against third-party claims to the extent that the cause lies within their sphere of control and organization and they are liable to third parties in an external relationship.

(2) As part of their indemnification obligation, the seller must reimburse expenses under §§ 683, 670 BGB that arise from or are related to third-party claims, including recall actions or owner notifications conducted by us. We will inform the seller about the content and scope of recall measures, as far as possible and reasonable, and give them an opportunity to comment. Further statutory claims remain unaffected.

(3) The seller is obliged to take out and maintain product liability insurance with a general coverage amount of at least €5 million per personal injury/property damage. The seller must provide proof of this insurance to Gehring upon request.

## § 11 Statute of limitations

(1) The reciprocal claims of the contracting parties shall become statute-barred in accordance with the statutory provisions, unless otherwise stipulated below.

(2) Notwithstanding § 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 shall commence upon acceptance. The 3-year limitation period shall also apply accordingly to claims arising from defects of title, whereby the statutory limitation period for third-party claims in rem for restitution (Section 438 (1) No. 1 BGB) shall remain unaffected; claims arising from defects of title shall in no case become time-barred as long as the third party can still assert the right - in particular in the absence of a limitation period - against us.

(3) The limitation periods of the law on sales, including the above extension, shall apply - to the extent permitted by law - to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period shall apply (§§ 195, 199 BGB), unless the application of the limitation periods of the law on sales leads to a longer limitation period in individual cases.

## § 12 Preliminary work

Even if an order is not placed, the preparation of drafts, calculations, cost estimates, offers, etc. shall be free of charge for Gehring. Any agreement to the contrary must be made in writing.

## § 13 Choice of law and place of jurisdiction

(1) The law of the Federal Republic of Germany shall apply to these GTCP and the contractual relationship between us and the Seller, excluding international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

(2) If the Seller is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising from the contractual relationship shall be the respective place of business. However, Gehring is also entitled in all cases to bring an action at the place of performance of the delivery obligation in accordance with these GPC or an overriding individual agreement or at the general place of jurisdiction of the seller. Overriding statutory provisions, regarding exclusive jurisdiction, shall remain unaffected.

(3) The contract language is German.

## § 14 Severability clause

Should individually provisions of these Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the remaining provisions. Ineffective provisions shall be replaced by effective provisions that come closest to their purpose.

## § 15 Conformity with regulations

(1) The Seller is obliged to comply with the recognized rules of technology (in particular DIN standards, VDE regulations, VDI guidelines, DVGW regulations) and the statutory provisions on product safety (in particular the Product Safety Act), the internationally applicable minimum standards under labour law, in particular all conventions of the International Labour Organization ("ILO") with regard to employee rights, working hours and occupational health and safety, as well as all applicable statutory and official provisions.

(2) The Seller shall comply with the recognized rules of technology and the applicable safety regulations for its deliveries. In particular, the Seller shall ensure that the requirements of the EU Chemicals Regulation REACH (Regulation (EC) No. 1907/2006, OJ EU of 30.12.2006) - hereinafter referred to as "REACH" - and Regulation (EC) No. 1272/2008 ("CLP Regulation") are complied with, in particular that pre-registration and registration are carried out in due time. The products supplied must not contain any substances on the so-called candidate list pursuant to Art. 59 (1) - (10) REACH. Sellers who have their registered office in countries outside the EU are obliged to appoint an OnlyRepresentative ("OR") in accordance with Art. 8 REACH. If the requirements of REACH are not completely or properly fulfilled, the products cannot be used by Gehring.

(3) Gehring operates an environmental management system in accordance with DIN EN ISO 14001. Environmental protection has a high priority within Gehring's understanding of quality. The seller undertakes to comply with the relevant statutory regulations on environmental protection and to introduce and maintain an environmental management system in accordance with Gehring's ecological corporate guidelines and to work to permanently reduce the adverse effects of its activities on people and the environment. The currently valid version of Gehring's ecological corporate guidelines is available at [www.gehring-group.com](http://www.gehring-group.com).

(4) The seller has taken appropriate technical and organizational measures to prevent disruptions to the availability, integrity, authenticity and confidentiality of its information technology systems, components and processes as well as all information and data and has implemented appropriate, industry-standard standards, processes and methods to prevent, identify, evaluate and remedy all vulnerabilities, malicious code (malware) and other disruptions in the contractual services. At Gehring's request, the contractual partner is obliged to have a TISAX assessment ([www.tisax.de](http://www.tisax.de)) carried out within a reasonable period of time with the TISAX assessment target specified by Gehring and to provide Gehring with the result.

(5) The Seller shall not participate actively or passively or directly or indirectly in any form of bribery or corruption, violation of human rights or discrimination against its employees, forced labor or child labor. In this context, the seller undertakes not to employ any workers who are not at least 15 years old. In countries that fall under the exception for developing countries in ILO Convention 138, the minimum age may be reduced to 14 years.

(6) The Seller undertakes to comply with the provisions of Section 1502 of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") on conflict minerals ("conflict minerals" within the meaning of the Dodd-Frank Act). If conflict minerals are required in the manufacture or for the function of

the products supplied by the Seller, their origin must be disclosed. Upon request, Seller shall provide Gehring and Gehring's affiliates with the complete documentation required under the Dodd-Frank Act regarding the use and origin of conflict materials without undue delay.

(7) The Seller shall ensure that all agents engaged by the Seller who are involved in any way in the manufacture of the products delivered by the Seller to Gehring comply with the obligations listed in paragraphs (1) to (6) above.

(8) In the event that the seller breaches one of the aforementioned obligations, the seller shall indemnify Gehring, the companies affiliated with Gehring and their customers against all costs, third-party claims (in particular direct or indirect claims for damages) and other disadvantages (e.g. fines) resulting from the breach of the aforementioned provision.

(4) This shall not apply if the seller is not responsible for this breach of duty. Furthermore, Gehring is entitled at any time to cancel the corresponding order immediately and to refuse to accept the corresponding delivery without incurring any costs for Gehring.

(5) Any existing claims for damages shall remain unaffected by this. Cancellation or refusal of acceptance shall not constitute a waiver of any claims for damages.