

Section 1 Scope of Application, Form

(1) These General Terms and Conditions of Purchase (GTCP) apply to all business relationships of Diato GmbH + Co.KG, Brunnenwiesenstr. 9, 73760 Ostfildern (hereinafter referred to as “Diato”) with our business partners and suppliers (“Seller”). The GTCP only apply if the Seller is an entrepreneur (Sec. 14 of the German Civil Code [BGB]), a legal entity under public law or a special fund under public law.

(2) The GTCP specifically apply to contracts for the sale and/or delivery of movable goods (“Goods”), regardless of whether the Seller manufactures the Goods itself or purchases them from suppliers (Sec. 433, 650 BGB). Unless otherwise agreed, the GTCP in the version valid at the time of the buyer’s order or, in any case, in the latest version communicated to the buyer in text form shall also apply as a framework agreement for similar future contracts, without the need for us to refer to them again in each specific case.

(3) These GTCP apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Seller shall only become part of the contract if and to the extent that we have expressly agreed to their validity in writing. This requirement of consent also applies in cases where Diato accepts deliveries from the supplier without expressly objecting any of the latter’s terms and condition of purchase that deviating from these Terms and Conditions.

(4) Individual agreements (e.g., framework supply agreements, quality assurance agreements) and information in our order take precedence over the GTCP. In case of doubt, trade terms are to be interpreted pursuant to the Incoterms® issued by the International Chamber of Commerce in Paris (ICC) in the version valid at the time of the conclusion of the contract.

(5) Legally relevant declarations and notifications by the Seller in relation to the contract (e.g., setting of deadlines, reminders, withdrawal) must be submitted in writing. **For the purposes of these GTCP, the written form requirement includes both written and text form (e.g., letter, email, fax).** Statutory formal requirements and further proof, especially when there is doubt about the authority of the declaring party, remain unaffected by this.

(6) References to the applicability of statutory provisions are for clarification purposes only. Therefore, the legal requirements even apply without such clarification, insofar as they are not directly revised or explicitly excluded in these GTCP.

Section 2 Conclusion of Contract

(1) Our order shall become binding at the earliest upon submission in writing or, in the case of orders placed by telephone, upon subsequent written confirmation.

The Seller shall point out any obvious errors (e.g., spelling and calculation errors) and gaps in the order, including the order documents, to us for the purpose of correction or completion prior to acceptance; otherwise, the contract will not be deemed concluded.

(2) The Seller is required to confirm our order in writing (acceptance) – stating the Diato order number, Diato article number and Diato order reference – within a period of 14 days.

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

(4) Agreements deviating from the original order require written confirmation by Diato.

Section 3 Delivery Time and Delivery Delays

(1) The delivery time indicated by us in the order is binding. The Seller is obliged to promptly notify us in writing if it will likely be unable to meet agreed delivery times, regardless of the reason. In this case, the Seller must inform Diato of the cause of the delay, the measures taken and a new estimated delivery date for the products.

(2) If the Seller fails to perform or does not perform within the agreed delivery time or is in default, our rights – in particular the right to withdraw from the contract and to claim damages – shall be determined according to statutory provisions. The provisions in (3) shall remain unaffected.

(3) If the Seller is in default, we may – in addition to further statutory claims – demand lump-sum compensation for our default damages in the amount of 2.5% of the net price per full calendar week, but not more than a total of 10% of the net price of the goods delivered late. We reserve the right to prove that greater damage has occurred.¹

The Seller remains entitled to prove that we have incurred no damages or significantly less damages.

Section 4 Service, Delivery, Transfer of Risk, Delay of Acceptance

(1) The Seller is not entitled to have the service owed by it provided by a third party (e.g., subcontractors) without our prior written approval. The Seller bears the procurement risk for their services unless otherwise agreed for specific cases (e.g., limitation to inventory).

(2) Delivery shall be made according to INCOTERMS "FCA" (Free Carrier) to the place indicated in the order. If the supplier delivers from abroad, the INCOTERM condition "DDP" (Delivered Duty Paid) shall apply, and the supplier must provide Diato with evidence of the necessary customs documents – in particular proof of payment of the applicable customs duties. If no destination has been indicated and nothing else has been agreed, delivery shall be made to the respective business location. The respective destination is also the place of performance for the delivery and any supplementary performance (obligation to deliver to premises).

(3) If, in deviation from (2), delivery terms are agreed under which Diato bears the transport costs, transport must be carried out by a freight forwarder approved by Diato. The Seller shall also be responsible for notifying the freight forwarder of the shipment in these cases. The supplier must promptly inform Diato of any delays caused by the freight forwarder.

(4) The delivery shall include a delivery note indicating the date (issue and dispatch), the content of the delivery (Diato item number, goods number, quantity and partial weights), country of origin and our order reference (date and Diato order number or Diato contract number). If the delivery note is missing or incomplete, Diato will assume no liability for any resulting delays in processing and payment.

(5) The risk of accidental loss and accidental deterioration of the goods is transferred to Diato upon delivery at the place of performance. If acceptance procedures are agreed, they shall be decisive for the passing of risk. In all other respects, the statutory provisions of the German contract law for work and labour shall apply

accordingly to acceptance procedures. Delay in acceptance by us shall be equivalent to delivery or acceptance.

(6) The statutory regulations apply with the commencement of our delay of acceptance. However, the Seller must offer its services explicitly, even if a definite or indefinite time is agreed for an action or contribution on our part (e.g., material orders). If we delay acceptance, the Seller may request compensation for its additional expenditures according to the statutory regulations (Sec. 304 BGB). If the contract involves a product to be manufactured by the Seller that is unjustifiable (single-unit production), the Seller shall only be entitled to additional rights if we are obliged to contribute and therefore liable for failing to contribute.

(7) The Seller shall ensure compliance with the applicable statutory transport regulations and, in particular, with the GGVSEB (German regulations concerning the carriage of dangerous goods by road, rail and inland waterway). If hazardous substances as defined by the German Ordinance on Hazardous Substances or products that may release such substances during use are supplied, the Seller – without being requested to do so – shall provide Diato or a service provider commissioned by Diato with a corresponding safety data sheet or the data necessary for preparing such a safety data sheet.

Section 5 Prices and Terms of Payment

(1) The price stated in the purchase order is binding, and any change due to a subsequent cost increase is excluded. All prices include statutory value-added tax unless this is shown separately.

(2) Unless otherwise agreed for specific cases, prices include all Seller services and ancillary services (e.g., assembly, installation) and all ancillary costs (e.g., proper packaging, transport costs, including any transport and liability insurance).

(3) The agreed price shall become due for payment within 45 calendar days from the complete delivery and service (including agreed upon acceptance if applicable) and upon receipt of a proper invoice. A proper invoice must state the Diato order number and, if applicable, the Diato item number and contract number and must be transmitted both digitally and physically.

If we submit a payment within 14 calendar days, the Seller shall grant us a discount of 3% on the net amount of the invoice. For bank transfers, payment shall be considered as having been made on time if our bank receives the transfer order before the expiration of the payment deadline; we assume no liability for delays caused by the banks involved in the payment process.

(4) We shall not owe any default interest. The statutory provisions shall apply in the event of payment default.

(5) Diato shall be entitled to the right of set-off or retention and to object to the non-fulfillment of contract without any restrictions to the scope permitted by law. In particular, Diato shall be entitled to withhold due payments as long as we remain entitled to claims against the Seller arising from incomplete or defective performance.

(6) The Seller shall only have a right of set-off or retention on the basis of counterclaims that have been legally established or are undisputed.

(7) The assignment of claims or other rights of the Seller to third parties is excluded without the prior written consent of Diato.

Section 6 Confidentiality

(1) We reserve ownership and copyright rights to illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents may only be used for performance of the contract and must be returned to us after completion of the contract. These documents must be kept secret from third parties, even after termination of the contract. The obligation of confidentiality shall only lapse when and insofar as the knowledge contained in the documents provided has become generally known. Special confidentiality agreements and statutory provisions on the protection of secrets shall remain unaffected.

(2) Other information as well as business and trade secrets which are made accessible to the Seller or of which the Seller becomes aware in any other way must be treated as strictly confidential and may only be disclosed to third parties with the express consent of Diato. The obligation of confidentiality shall only expire when and to the extent that the business or trade

secret that has been disclosed becomes generally known. Special confidentiality agreements and statutory provisions on the protection of secrets shall remain unaffected.

Section 7 Retention of Title

(1) To the extent that Diato provides the Seller with substances and materials (e.g., software, finished and semi-finished products) or with tools, templates, samples and other items, Diato reserves ownership of these items. Such items must be stored separately at the Seller's expense for as long as they are not processed and must be insured by the Seller to an appropriate extent against destruction and loss. Proof of such insurance must be provided to Diato upon request. In the event of damage to or destruction of the property, the Seller shall be obliged to pay compensation equivalent to the new value.

(2) Any processing, mixing or combining (further processing) of the supplied items by the Seller shall be carried out on our behalf. The same applies in the case of further processing of the delivered goods by us, so that we are deemed to be the manufacturer and acquire ownership of the product at the latest upon further processing according to the statutory provisions.

(3) The Seller shall undertake to use the supplied items for the manufacture or construction of products for third-party customers only with Diato's prior written consent.

(4) The transfer of ownership of the goods to us must take place unconditionally and irrespective of payment of the price. However, if Diato accepts an offer to transfer ownership by the Seller made conditional by payment of the purchase price in specific cases, any retention of title on the part of the Seller shall cease with settlement of the purchase price for the delivered goods. In the ordinary course of business, we shall remain entitled to resale of the goods due to advance assignment even before the purchase price is settled (alternatively, subject to simple reservation of title extended to resale). This excludes all other types of retention of title, in particular retention of title that is extended, transferred or includes further processing.

Section 8 Defects

(1) Our rights with regard to material defects and defects of title of the goods (including incorrect and insufficient delivery and improper assembly/installation or defective instructions) and in the event of other breaches of duty by the Seller shall be governed by the statutory provisions and, exclusively in our favor, the following additions and clarifications.

(2) According to the statutory provisions, the Seller is liable for ensuring that the products are in the agreed condition when risk is transferred to us. At any rate, those product descriptions that – in particular due to their designation or reference in our order – are the subject of the respective contract or have been similarly included in these GTCP are considered an agreement with regard to product condition. To the extent that the Seller receives drawings, samples, specifications or other requirements from Diato, these alone shall be decisive for the type, quality and execution of the ordered item or the service to be provided. If any doubts or concerns arise from this information regarding the Diato specifications, the Seller must notify Diato in writing prior to the commencement of series production and may not begin series production until further written instructions are received from Diato.

(3) In the case of goods with digital elements or other digital content, the Seller shall be responsible for providing and updating the digital content to the extent that this results from a quality agreement pursuant to (2) or other product descriptions of the manufacturer or on its behalf, in particular on the Internet, in advertising or on the product label.

(4) We are not obliged to inspect the goods or make specific inquiries about any defects at the time the contract is concluded. Deviating in part from Sec. 442 (1) sentence 2 BGB, we are therefore be entitled to assert claims for defects without restriction even if we were unaware of the defect upon conclusion of the contract due to gross negligence.

(5) The statutory provisions regarding the commercial obligation of inspection and notification apply (Sec. 377, Sec. 381 of the German Commercial Code [HGB]) with the following stipulation: Our statutory duty of inspection is limited to defects which become apparent during the external inspection, including inspection of the delivery documents

(e.g., transport damage, incorrect and insufficient delivery), or based on random samples taken as part of our quality control. Insofar as an acceptance procedure has been agreed, there is no obligation to inspect. Otherwise, it depends on how feasible an inspection is during regular business in light of the circumstances of the specific case. Our obligation to give notice of defects discovered later shall remain unaffected.

(6) Supplementary performance also includes the removal of the defective goods and their reinstallation, provided that the goods – in line with their type and intended use – were incorporated into or attached to another object before the defect became apparent; our statutory claim for reimbursement of corresponding expenses (removal and installation costs) shall remain unaffected. The expenses necessary for the purpose of inspection and supplementary performance – in particular transport, travel, labour and material costs along with any removal and installation costs – shall be borne by the Seller even if it turns out that a defect did not actually exist. Our liability for damages in the event of unjustified demands for the remedy of defects shall remain unaffected; however, we shall only be liable in this respect if we recognized or, through gross negligence, failed to recognize that there was no defect.

(7) Notwithstanding the statutory rights and the provisions in (5), the following applies: If the Seller fails to meet the reasonable deadline set by us to fulfil its obligation to supplementary performance – based on our choice of remedy of the defect (rectification) or the delivery of a faultless product (replacement) – we will then remedy the defect ourselves and request compensation from the Seller for the incurred expenses or a corresponding advance payment. If supplementary performance on the part of the Seller has failed or is unreasonable to us (e.g., due to particular urgency, safety hazards or the imminent occurrence of disproportionate damages), this shall not require the setting of a deadline; the Seller will be informed immediately – in advance if possible – of any circumstances of this kind.

(8) Otherwise, in the event of a material or legal defect, Diato shall be entitled under statutory provisions to reduce the purchase price or withdraw from the contract. Additionally, Diato

shall be entitled under statutory provisions to claim damages and reimbursement of expenses.

Section 9 Supplier Recourse

(1) In addition to claims for defects, we are entitled to statutory claims for reimbursement of expenses and recourse within a supply chain (supplier recourse pursuant to Sec. 478, Sec. 445a, Sec. 445b or Sec. 445c, Sec. 327 (5), Sec. 327u BGB) without restriction. In particular, Diato is entitled to request the exact type of supplementary performance (repair or replacement) from the Seller that we owe to our customer in the specific cases; for goods with digital elements or other digital content, this also applies with regard to the provision of necessary updates. This does not affect our statutory option (Sec. 439 (1) BGB).

(2) Before we accept or fulfil a claim for defects asserted by our customer (including reimbursement of expenses pursuant to Sec. 445a (1), Sec. 439 (2), (3), (6) sentence 2, Sec. 475 (4) BGB), we will notify the Seller and request a written statement, briefly outlining the facts. If a substantiated statement is not provided within a reasonable period and an amicable solution cannot be found, the claim for defects actually granted by us shall be deemed owed to our customer. In this case, the burden of proof to the contrary shall lie with the Seller.

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

Section 10 Producer Liability

(1) If the Seller is responsible for a product damage, the Seller shall indemnify Diato against third-party claims insofar as the cause lies within the Seller's sphere of influence and organisation and the Seller is liable in relation to third parties.

In line with the Seller's indemnity obligation, the Seller is also obliged to compensate for possible expenditures pursuant to Sec. 683 and Sec. 670

BGB that arise or are in connection with third-party claims, including those resulting from a recall or owner notifications implemented by us. We will inform the Seller – where possible and reasonable – of the content and scope of the recall measures and give the Seller an opportunity to comment. Other statutory claims shall remain unaffected.

(3) The Seller shall undertake to take out and maintain product liability insurance with a lump-sum coverage of at least EUR 5 million per bodily injury / property damage event. The Seller must provide proof of this to Diato upon request.

Section 11 Limitations Period

(1) The parties' mutual claims for defects shall be subject to legal statutes of limitations unless otherwise agreed.

(2) Deviating from Sec. 438 (1) no. 3 BGB, the general limitation period for defects is 3 years from the date of transfer of risk. If an acceptance procedure has been agreed, the limitation period starts with acceptance. The 3-year limitation period also applies to claims due to defects of title, whereby the legal statute of limitations for material third-party surrender claims (Sec. 438 (1) no. 1 BGB) remains unaffected; furthermore, claims due to defects of title do not become time-barred as long as the third party can assert claims against us – particularly because they have not yet become time-barred.

(3) The limitation periods under sales law, including the aforementioned extensions, shall apply – to the statutory extent – to all contractual claims for defects. If we are also entitled to non-contractual claims due to a defect, the regular statutory limitation applies (Sec. 195, Sec. 199 BGB) unless the application of the statutory limitation periods of sales law results in an extended limitation period in specific cases.

Section 12 Preliminary Work

Even if no contract is awarded, the preparation of drafts, calculations, quotations, offers, etc. for Diato shall be free of charge. Any agreement to the contrary must be made in writing.

Section 13 Choice of Law and Jurisdiction

(1) For these General Terms and Conditions of Purchase (GTCB) and the contractual relationship between us and the Seller, the law of the Federal Republic of Germany shall apply – excluding international uniform law, in particular the United Nations 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 – including international – place of jurisdiction for all disputes arising from the contractual relationship shall be the respective place of business. However, Diato is also entitled to take action at the place of performance of the delivery obligation pursuant to these GTCB or a predominant individual agreement or at the Seller's general place of jurisdiction. Any statutory provisions taking precedence, in particular regarding exclusive jurisdictions, shall remain unaffected.

(3) The language of the contract is German.

Section 14 Compliance with Standards

(1) The Seller is obliged to comply with the recognised rules of technology (in particular DIN standards, VDE regulations, VDI guidelines, DVGW rules) and the statutory provisions regarding product safety (particularly the Product Safety Act), internationally applicable minimum labour standards, in particular all conventions of the International Labour Organization (ILO) regarding employee rights, working hours and occupational safety, along with all applicable statutory and regulatory provisions.

(2) The Seller must comply with the recognized rules of technology and the applicable safety regulations for its deliveries. In particular, the Seller must ensure compliance with the requirements of the EU Regulation on chemicals REACH (Regulation (EC) No. 1907/2006, OJ EU of 30.12.2006) – hereinafter referred to as “REACH” – as well as Regulation (EC) No. 1272/2008 (“CLP Regulation”), ensuring, in particular, that pre-registration and registration are each carried out within the prescribed periods. The delivered products must not contain any substances included on the “Candidate List” pursuant to Article 59(1) - (10) REACH. Sellers with their registered office in countries outside the EU are required to appoint an Only Representative

(“OR”) pursuant to Article 8 REACH. Should the requirements of REACH not be fully or properly met, the products cannot be used by Diato.

(3) Diato operates an environmental management system according to DIN EN ISO 14001. Environmental protection is a high priority within Diato's understanding of quality. The Seller shall undertake to comply with the respective statutory provisions on environmental protection and to introduce and maintain an environmental management system that corresponds to Diato's ecological corporate guidelines and to continuously work towards reducing the adverse effects of its activities on people and the environment. The current version of Diato's ecological corporate guidelines is available at 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 procedures, processes and methods to prevent, identify, assess and remedy all vulnerabilities, malware and other malfunctions in the contractual services. At Diato's request, the contractual partner is obliged to have a TISAX audit (www.tisax.de) conducted with the TISAX audit objective specified by Diato within a reasonable period and to provide Diato with the results.

(5) The Seller shall neither actively nor passively, directly or indirectly participate in any form of bribery or corruption, violation of human rights or discrimination against its employees, forced labour or child labour. In this context, the Seller commits to refraining from employing any workers who have not reached a minimum age of 15 years. In countries that fall under the developing countries exception of ILO Convention 138, the minimum age may be reduced to 14 years.

(6) The Seller shall undertake to comply with the provisions on conflict minerals as set out in Section 1502 of the Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). Should conflict minerals be required in the manufacture or for the function of the products supplied by the Seller, their origin must be

disclosed. Upon request, the Seller shall provide Diato and companies affiliated with Diato with the documentation required under the Dodd-Frank Act regarding the use and origin of conflict minerals, fully and without delay.

(7) The Seller shall ensure that all agents engaged by it who are in any way involved in the manufacture of products supplied to Diato comply with the obligations set out in the preceding paragraphs (1) to (6).

(8) In the event that the Seller breaches any of the aforementioned obligations, the Seller shall indemnify Diato, the companies affiliated with Diato, and also their customers against all costs, third-party claims (in particular direct or indirect claims for damages), and other disadvantages (e.g., fines) arising from the violation of the above provision.

This does not apply if the Seller is not responsible for the breach of duty. Furthermore, Diato shall be entitled at any time to immediately cancel the corresponding order and to refuse acceptance of the corresponding delivery, without incurring any costs as a result.

Any existing claims for damages shall remain unaffected by this. A cancellation or refusal of acceptance does not constitute a waiver of any potential claims for damages.