

General Terms and Conditions of Purchase for the companies of the METZ CONNECT Group

1. Scope, form

- 1.1 These General Terms and Conditions of Purchase (hereinafter “**GPC**”) apply to all business relationships between the companies of the METZ CONNECT Group, in particular METZ CONNECT TECH GmbH, Ottilienweg 9, 78176 Blumberg, Germany; Albert Metz GmbH & Co KG, Ottilienweg 9, 78176 Blumberg, Germany; (the respective acting company hereinafter “**METZ CONNECT**”), and their suppliers and business partners (hereinafter “**Supplier**”; METZ CONNECT and Supplier hereinafter also individually a “**Contracting Party**” and jointly “**Contracting Parties**”). The GPC shall only apply if the Supplier is an entrepreneur (Section 14 of the German Civil Code (BGB)) or a legal entity under public law.
- 1.2 These GPC apply in particular to contracts for the purchase of movable goods (“**goods**”) and services (hereinafter referred to as “**services**”; both hereinafter together also referred to as “**contractual services**”), irrespective of whether the Supplier manufactures/provides the contractual service itself or procures it from third parties (§§ 433, 650 BGB). Unless otherwise agreed, these GPC shall apply in the version valid at the time of METZ CONNECT’s order, in any case in the version last communicated to the Supplier in text form (§ 126b BGB) as a framework agreement for similar future contracts, without METZ CONNECT having to refer to the validity of these GPC in each individual case.
- 1.3 Deviating, conflicting or supplementary general terms and conditions of the Supplier shall only become part of the contract if and insofar as METZ CONNECT has expressly agreed to their validity in written or text form (e.g. e-mail). Similarly, any previously agreed contractual terms and conditions of the Supplier that conflict with or supplement these GPC shall no longer be recognised and shall cease to apply by mutual agreement upon acceptance of these GPC.

2. Conclusion of contract

- 2.1 If the Supplier does not confirm an order from METZ CONNECT in written, text form or EDI within 1 (one) week, the unconditional delivery or provision of the contractual service by the supplier shall be deemed to be the acceptance of the order.
- 2.2 Changes to an order must be made in written or text form or EDI. They represent a counter-offer by the Supplier, which always requires express acceptance by METZ CONNECT in written or text form or EDI.
- 2.3 The Supplier must notify METZ CONNECT of obvious errors (e.g. spelling and calculation errors) and incompleteness of an order, including the order documents, for the purpose of correction or completion before acceptance; otherwise the contract shall be deemed not to have been concluded.

3. Prices, terms of payment

- 3.1 The prices stated in an order from METZ CONNECT are binding and apply to the contractual services provided by the Supplier within the scope of this order. Unless otherwise agreed, all prices are fixed prices plus statutory VAT.
- 3.2 Unless otherwise agreed in written or text form or EDI in individual cases, the prices shall include the contractual services as well as all ancillary services and ancillary costs of the Supplier (in particular proper packaging, customs, transport costs including any transport and liability insurance, any costs of travelling to and from the place of performance including accommodation costs and expenses arising from labour costs such as overtime work, late work, night work, work on Sundays and public holidays, and hardship allowances).
- 3.3 Unless otherwise agreed, payments shall be made by METZ CONNECT within 90 (ninety) calendar days after complete fulfillment - including any agreed acceptance of the goods or services - and receipt of an informative, verifiable, and comprehensible invoice. The METZ CONNECT order number, which the Supplier received from METZ CONNECT when placing the order, must always be stated on invoices. If METZ CONNECT makes full payment within 14 calendar days, the Supplier shall grant METZ CONNECT 3% discount on the net amount of the invoice.
- 3.4 METZ CONNECT is entitled to rights of set-off and retention as well as the objection on the grounds of non-performance of the contract to the extent permitted by law. In particular, METZ CONNECT is entitled to withhold payments as long as METZ CONNECT is entitled to claims from incomplete or defective performance against the Supplier.

4. General performance obligations of the Supplier

- 4.1 The Supplier shall always provide the contractual services in a professional manner, in compliance with the generally recognised rules and the current state of science and technology at the time of performance, as well as the statutory regulations, ordinances, guidelines, and technical standards.
- 4.2 The goods delivered by the Supplier must comply with the laws and regulations applicable at the time of manufacture of the goods at the intended place of use of the goods, at the least, the goods must conform with the applicable laws and regulations of the Federal Republic of Germany and the European Union.
- 4.3 Unless otherwise agreed, the Supplier shall ensure that the contractual services fulfil all relevant requirements to be put into circulation in the European Union, the European Economic Area (hereinafter: EEA), the USA, and China. The Supplier shall, at its own expense, prove that the goods conform to the relevant statutory provisions by means of appropriate evidence, in particular certificates or - in the event of corresponding enquiries and disputes - expert opinions from qualified experts.

- 4.4 The Supplier shall deploy sufficiently qualified personnel for the provision of the contractual service. He must commission qualified and reliable forwarding agents. The Supplier may only utilise third parties (subcontractors) in the provision of services with the prior written consent of METZ CONNECT. Subcontractors shall act as vicarious agents of the Supplier.

- 4.5 The Supplier is obliged to inform METZ CONNECT of any authorisation requirements for the (re-)exports of its goods in accordance with German and European export and customs regulations, the export and customs regulations of the EEA and the country of origin of its goods. It shall inform METZ CONNECT in writing of all foreign trade data relating to the goods and their components in good time before delivery of the goods.

5. Delivery, transfer of risk, default of acceptance

- 5.1 Unless otherwise agreed in individual cases, deliveries shall be made DDP (Delivered Duty Paid, Incoterms 2020) to the destination specified in METZ CONNECT’s order. If the place of destination is not specified and nothing else has been agreed, the delivery shall be made DDP (Delivered Duty Paid, Incoterms 2020) to the address Vogelherd 5-7 in 78176 Blumberg. The respective place of destination is also the place of fulfilment for the delivery and any subsequent fulfilment.
- 5.2 Each delivery must be accompanied by a delivery note stating the date (issue and dispatch), the content of the delivery (article number and quantity) and the METZ CONNECT order number. If the delivery note is missing or does not contain the aforementioned information, METZ CONNECT shall not be responsible for any resulting delays in processing and payment. Independent from the delivery note, the Supplier must send METZ CONNECT a corresponding dispatch note with the same content when the goods are dispatched.
- 5.3 In the case of software products, the Supplier must also hand over the complete (system and user) documentation to METZ CONNECT on request. In the case of software created specifically for METZ CONNECT, the source code must also be supplied.
- 5.4 The Supplier is not authorised to make partial deliveries and/or advance deliveries without the prior written consent of METZ CONNECT. Higher costs caused by partial deliveries and/or advance deliveries shall be borne by the Supplier, provided that the partial deliveries and/or advance deliveries are not caused by METZ CONNECT.
- 5.5 The Supplier must label the packaging together with pallets, reels etc. in accordance with the requirements of EU Commission Decision 97/129/EC. On request of its customer, METZ CONNECT undertakes to take back the packaging used by it at its own expense and risk. In this case, METZ CONNECT is authorised to return the packaging used by the Supplier to the Supplier at the Supplier’s expense.
- 5.6 The statutory provisions shall apply to the occurrence of default of acceptance. The Supplier must also expressly offer its performance to METZ CONNECT if a specific or determinable calendar date has been agreed for an action or co-operation by METZ CONNECT (e.g. provision of information). If METZ CONNECT is in default of acceptance, the Supplier can demand compensation for its additional expenses in accordance with the statutory provisions (§ 304 BGB). If the contract relates to a non-fungible item to be manufactured by the Supplier (individual production), the Supplier shall only be entitled to further rights if METZ CONNECT is legally obliged to co-operate and is responsible for the failure to co-operate.

6. Dates and deadlines, default

- 6.1 Agreed dates, locations, and deadlines for the provision of services or the delivery of goods are binding. The timeliness of deliveries depends on the receipt of the goods at the respective destination (cf. clause 5.1).
- 6.2 If the Supplier is unable to meet agreed dates or deadlines, it must inform METZ CONNECT immediately, stating the reasons and the expected duration of the delay, without this releasing the Supplier from its liability.
- 6.3 If the Supplier is in default with deliveries or services, it shall owe METZ CONNECT - without prejudice to other rights - a contractual penalty of 0.2 per cent of the net price of the goods or services in default for each working day of default. „Working days“ within the meaning of these GPC are all days from Monday to Friday with the exception of public holidays at the registered office of METZ CONNECT. The contractual penalty claim is limited to a total of 5 per cent of the net price of the goods or services in default. The contractual penalty shall be charged against any additional damages caused by the delay; the assertion of further claims for damages in addition to the contractual penalty shall remain unaffected.

7. Reservation of Proprietary Rights

- 7.1 The Supplier shall transfer the goods to METZ CONNECT unconditionally and without regard to the payment of the price.

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- 7.2 However, if METZ CONNECT accepts an offer of transfer of ownership from the Supplier in an individual case that is conditional on payment of the purchase price, the Supplier's reservation of proprietary rights shall expire at the latest upon payment of the purchase price for the delivered goods. METZ CONNECT remains authorised to resell the goods in the ordinary course of business prior to payment of the purchase price, even in the case of an existing reservation of proprietary rights, with advance assignment of the resulting claim. This excludes all other forms of reservation of proprietary rights, in particular the extended reservation of proprietary rights, the forwarded reservation of proprietary rights, and the reservation of proprietary rights extended to further processing.

8. Warranty, inspection and complaint obligations

- 8.1 Statutory provisions shall apply to METZ CONNECT's warranty rights vis-à-vis the Supplier, unless otherwise specified below.
- 8.2 The Supplier assures METZ CONNECT that the contractual services (a) correspond to the contractually agreed quality, insofar as no specific quality criteria have been agreed are at least of customary commercial quality, (b) are free of defects and marketable without restriction (in particular with regard to materials, construction and processing), (c) are free of third-party rights, (d) do not violate any laws, and (e) are suitable and sufficient for the purposes intended in the order. In any case, those product and service descriptions which are the subject matter of the respective contract by designation or reference in an order or which have been included in the contract in the same way as these GPC shall be deemed to be an agreement on quality. It is irrelevant whether the product or service description originates from METZ CONNECT, from the Supplier, or from a third party.
- 8.3 METZ CONNECT has the right to choose the type of subsequent fulfilment. The Supplier may refuse the type of subsequent fulfilment chosen by METZ CONNECT if it is only possible at disproportionate cost. If the Supplier does not fulfil its obligation to provide supplementary performance within a reasonable period set by METZ CONNECT (which is based on the usual manufacturing and delivery times), METZ CONNECT may, in addition to its statutory warranty rights, remedy the defect itself (self-performance) and demand compensation from the Supplier for the expenses required for this. METZ CONNECT can demand a reasonable advance payment from the Supplier for the expenses required to rectify the defect. The subsequent fulfilment must take place within five (5) working days of the request for subsequent fulfilment, unless a longer period for subsequent fulfilment is appropriate or absolutely necessary in the individual case.
- 8.4 The limitation period for warranty claims shall be governed by the statutory provisions.
- 8.5 The statutory provisions on the duty to inspect and give notice of defects (§§ 377, 381 HGB) apply with the following conditions: METZ CONNECT's duty to inspect is limited to defects which become apparent during the incoming goods inspection by external examination of the goods and the delivery documents (e.g. transport damage, incorrect and short deliveries) or which are recognisable during a quality inspection by random sampling. The obligation to give notice of defects discovered later remains unaffected. Notwithstanding METZ CONNECT's duty to inspect, a complaint (notification of defects) shall in any case be deemed to be immediate and timely if it is sent by METZ CONNECT within seven (7) working days after discovery or, in the case of obvious defects, after delivery. This clause 8.5 shall not apply if acceptance has been agreed upon or the parties have concluded a contract for work and labour.

9. Liability, indemnity

- 9.1 The Supplier's liability shall be governed by the statutory provisions.
- 9.2 The Supplier shall indemnify METZ CONNECT against all claims asserted by third parties against METZ CONNECT on the basis of a culpable breach of duty by the Supplier. In particular, the Supplier shall indemnify METZ CONNECT against
- 9.2.1 all claims made by third parties against METZ CONNECT due to the infringement of industrial property rights by the contractual services;
- 9.2.2 all claims arising from a breach by the Supplier or a subcontractor of the Supplier of obligations to pay minimum wages, collectively agreed wages, payment of taxes, or social security contributions.
- 9.3 The exemption pursuant to clause 9.2 shall take place on first request. The Supplier shall reimburse METZ CONNECT for all necessary expenses in connection with a claim in accordance with clause 9.2 (in particular court costs, lawyers' fees, other consultancy or expert costs). This shall not apply if the Supplier proves that it is neither responsible for the breach of duty nor should have been aware of it if it had exercised due commercial diligence at the time of the delivery of the goods or at the time of the provision of the service.

10. Product safety and product liability

- 10.1 The Supplier's products may not jeopardise the safety and health of persons or the environment when used as intended.
- 10.2 The Supplier must ensure that the information required for the safe handling and use of its products is available.

- 10.3 In the case of hazardous substances or when required by law, product safety must be assessed by the Supplier as part of a risk analysis. The results of the risk analysis must be documented by the Supplier. The risk analysis must be provided to METZ CONNECT.

- 10.4 The Supplier shall be responsible for all claims asserted by third parties for personal injury or property damage attributable to defective products supplied by the Supplier.

- 10.5 If METZ CONNECT is obliged by official order or for safety reasons to carry out a product recall against third parties due to a defect in goods delivered by the Supplier, the Supplier shall bear all costs associated with the product recall. METZ CONNECT shall inform the Supplier of the content and scope of recall measures in good time - to the extent possible and reasonable - and give the Supplier the opportunity to comment. Further legal claims remain unaffected.

- 10.6 The Supplier shall maintain product liability insurance at its own expense with coverage of EUR 5,000,000 per claim, limited to EUR 10,000,000 per year. The insurance must be taken out with individual insurers or an insurance company with an irreproachable reputation. The insurance must authorise METZ CONNECT to assert claims directly with the insurer. The Supplier must provide METZ CONNECT with proof of the maintenance of this insurance at any time upon request. This insurance does not constitute a limitation of liability in favour of the Supplier.

11. Securing ownership, ordering materials

- 11.1 METZ CONNECT reserves the right of ownership and copyright to orders, drawings, illustrations, calculations, descriptions and other documents from METZ CONNECT made available to the Supplier (together referred to as "**METZ CONNECT Documents**"). The Supplier may not make the METZ CONNECT Documents accessible to third parties or use or reproduce them itself or through third parties without the express consent of METZ CONNECT.
- 11.2 The following provisions apply to materials such as raw materials, tools, and other resources (hereinafter collectively referred to as "**auxiliary material**") that METZ CONNECT makes available to the Supplier within the scope of a contract or that are manufactured for contractual purposes and charged separately to METZ CONNECT by the Supplier:
- 11.2.1 The auxiliary material shall remain the property of METZ CONNECT; the Supplier shall transfer ownership of the auxiliary material manufactured by the Supplier and invoiced separately to METZ CONNECT at the earliest possible date, at the latest upon payment of the auxiliary material by METZ CONNECT.
- 11.2.2 The Supplier shall mark the auxiliary materials the property of METZ CONNECT, store them carefully, insure them to an appropriate extent against damage of any kind, and only use them for the purposes of the contract.
- 11.2.3 The Supplier shall bear the costs of maintaining the auxiliary material. The Supplier must inform METZ CONNECT immediately of any damage to the auxiliary material that is not merely insignificant. At METZ CONNECT's request, the Supplier is obliged to return the auxiliary material to METZ CONNECT in proper condition if they are no longer required by the Supplier to fulfil its contractual obligations to METZ CONNECT.
- 11.2.4 Any processing, mixing, or combining (further processing) of auxiliary materials by the Supplier shall be carried out on behalf of METZ CONNECT.

12. Final provisions

- 12.1 These GPC and the contractual relationship between METZ CONNECT and the Supplier shall be governed exclusively by the law of the Federal Republic of Germany to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods, and to the exclusion of private international law.
- 12.2 This clause 12.2 applies to all Suppliers based in the EU or the EEA: The exclusive place of jurisdiction for all disputes arising directly or indirectly from or in connection with the contractual relationship is 78176 Blumberg in Germany. However, METZ CONNECT is also entitled to bring an action at the general place of jurisdiction of the Supplier.
- 12.3 If the Supplier has its seat outside the EU or the EEA, the following shall apply: All disputes arising out of or in connection with this contract or its validity shall be finally settled in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) without recourse to state courts of law. The arbitration tribunal shall consist of one arbitrator. The place of arbitration shall be Stuttgart. The language of the proceedings shall be English. There shall be no document production, disclosure, or similar procedures in the arbitration proceedings. All documents and other evidence may be submitted in English or German.
- 12.4 Should a provision in these GPC be or become invalid, ineffective, or unenforceable in whole or in part, or should a necessary provision not be included, the effectiveness and enforceability of all other provisions of these GPC shall not be affected. The invalid, ineffective, or unenforceable provision shall be replaced by a legally permissible provision that corresponds to the extent to what METZ CONNECT and the Supplier intended or would have agreed in accordance with the meaning and purpose of these GPC if they had recognised the ineffectiveness. This severability clause does not result in a mere reversal of the burden of proof, but excludes § 139 BGB as a whole.

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- 12.5 The Supplier is not authorised to transfer and/or assign rights and obligations arising from the contract with METZ CONNECT to third parties without the prior written consent of METZ CONNECT. This prohibition of assignment does not apply to monetary claims.