

## General Purchasing Terms and Conditions of pelletroneurope GmbH

### I. Determining Terms and Conditions

The legal relationship between the Supplier and the Purchaser is based on these Terms and Conditions and any other contractual agreements. These Terms and Conditions will apply exclusively; the Purchaser does not recognise opposing or conflicting terms and conditions unless their application is expressly agreed to in writing. These Terms and Conditions will also apply when the Purchaser accepts the delivery without reservation with full knowledge of the Supplier's contradictory or deviating terms or conditions. These Terms and Conditions will also apply to all future business transactions between the contracting parties, even if the Supplier does not expressly notify the Purchaser of these in future.

### II. Order/Formation of the Contract

1. Supply contracts (orders and acceptance) must be made in writing; the same applies to any changes and supplements to the supply contracts and delivery schedules. Verbal agreements made by representatives or other auxiliary persons of the Supplier must be confirmed in writing by the Supplier.
2. The Purchaser can request changes to the delivery item with regard to its design and execution within the bounds of what is reasonable to the Supplier. In this regard, the impact especially in terms of additional or reduced costs and delivery deadlines must be regulated appropriately by mutual agreement.
3. The INCOTERMS are applicable in the version which is valid at the time the contract is formed.
4. The Purchaser is entitled to withdraw from the contract if the Supplier has made an application for insolvency proceedings, has provided information about its financial status in accordance with Section 807 ZPO, or if insolvency proceedings on its assets have been opened or rejected due to insufficient assets.

### III. Prices and Payment Terms

1. The price specified in the purchase order is binding.
2. Unless any special agreements have been made, the invoice will be paid either within 14 days with a discount of 3%, or within 60 days without a discount from the date when the payment becomes due and receipt of both the invoice and the goods or provision of service. The later date is decisive for the due date. Payment will be effected subject to invoice verification. Where early deliveries are accepted, the due date depends on the agreed delivery date.
3. In the absence of any other agreement, the price includes delivery duty paid (DDP) (Incoterms) at the agreed delivery address.
4. Payment will be effected by bank transfer. Payment does not signify an acceptance of conditions and prices and has no influence on the Purchaser's rights in the case of deficiencies.
5. In the event of a deficient delivery, the Purchaser is entitled to withhold the payment proportionately to the value until the contract has been duly fulfilled.
6. The Supplier may not assign claims against the Purchaser or instruct third parties to collect payment from the Purchaser without the Purchaser's prior written consent. Section 354a HGB remains unaffected.
7. Dispatch notes, bills of lading, invoices and all correspondence must include the Purchaser's order numbers.

8. Invoices may be processed only if they include – in accordance with the specifications in the purchase order – the purchase order number that was specified in the purchase order and are issued to the correct invoice recipient. The Supplier is responsible for all consequences arising from failure to comply with this obligation, unless the Seller can prove that it is not responsible for this breach.

9. The Purchaser is entitled to the rights of offsetting and retention to the extent permitted by law.

10. A retention of title between the contracting parties is deemed to be excluded.

### IV. Shipping Regulations

1. A duplicate delivery note and packing slip must be attached to the delivery; if the goods are customs goods (goods where duty is unpaid), then the Supplier must inform the Purchaser about this without request, and hand over all relevant papers for customs clearance. All shipping documents and outer packaging must specify the order number, gross and net weight, number and type of packaging units (disposable/reusable), as well as the unloading point and the goods recipient. If the Supplier fails to provide the above-mentioned information, the Purchaser is not responsible for delays in payment.

2. The Supplier is responsible for making arrangements for shipment and must choose the most reasonable and appropriate mode of transport unless agreed otherwise. The Supplier must pack, label and send hazardous products in accordance with the relevant national and international regulations.

### V. Delivery Dates and Deadlines

1. Agreed dates and deadlines are binding. The receipt of the goods by the Purchaser is relevant for compliance with the delivery date or deadline. Unless agreed otherwise, it will be deemed that a "DDP" delivery is agreed, including packaging.

2. An early delivery may be made only with the Purchaser's agreement. In the event of an earlier delivery without the Purchaser's agreement, the Purchaser reserves the right to return the goods to the Supplier at the Supplier's own cost and risk. If the Purchaser does not agree to an early delivery and does not return the goods, the goods will be stored at the Purchaser's premises until the agreed delivery date at the Supplier's risk and cost. The agreed delivery date applies exclusively to compliance with the agreed payment term.

3. If the Supplier foresees difficulties in terms of production, material supply, compliance with the delivery date or similar circumstances that might prevent the Supplier from making a delivery on time or at the agreed quality, the Supplier must inform the Purchaser about this immediately in writing.

4. The unconditional acceptance of the delayed delivery or service does not constitute any relinquishment by the Purchaser of claims for damages arising from the delayed goods or services; this applies until full payment is made of the money owed for the relevant goods and services.

### VI. Delivery Delays

1. The Supplier is responsible for procuring the goods and services that are necessary for the deliveries – even if not at fault itself – without restriction (complete assumption of the procurement risk).

2. In the event of a delay in delivery, the Purchaser is entitled to its statutory rights. In particular, the Purchaser is entitled to demand

claims for damages following the fruitless expiry of a reasonable grace period instead of the service or withdrawing from the contract. Furthermore, the Purchaser is in any case also entitled to assert claims for loss of profit and damages from interruption to business against the Supplier as a claim for damages resulting from delays and non-performance.

3. In the event of a delivery delay, the Purchaser is entitled to demand claims for damages calculated on a flat rate basis to the amount of 0.2% of the net order value per working day of the exceeded deadline, but not more than 10% of the net order value if the delay is not due to a breach of duty that was intentional or grossly negligent by a statutory representative or vicarious agent of the Purchaser.

Other statutory claims will remain unaffected. The Supplier is entitled to provide evidence to the Purchaser that no damages, or considerably lower damages, have arisen as a result of the delay.

4. Partial deliveries are generally impermissible, unless the Purchaser has previously agreed to this in writing.

#### **VII. Force Majeure**

Acts of God, industrial disputes, riots, official actions (including embargo and authorisation requirements) and other unforeseen, unavoidable and serious events release the contracting parties from their respective obligations to perform to the extent of their force for the duration of the disruption. The contracting parties are obligated to provide the required information immediately within reasonable bounds and to adjust their obligations in good faith to take into account the changes in circumstances.

#### **VIII. Warranties Relating to the Quality of the Goods by the Supplier**

The Supplier assures the following condition of the delivery items within the meaning of a warranty relating to the quality of the goods:

1. All goods and services are properly produced or carried out in accordance with the agreed specification and using the most suitable materials and comply with the state of the art, the generally accepted safety regulations in respect of technology and industrial medicine issued by the authorities and industrial associations and in accordance with the relevant legal provisions.
2. If machines, equipment or plants constitute delivery items, they will meet the special safety requirements applicable to machinery, equipment and plants (such as currently valid machine guidelines, EMC guidelines) at the time of contractual fulfilment and will be CE marked.

#### **IX. Examination/Notice of Defects**

The Purchaser must inform the Supplier immediately in writing about defects in the delivery as soon as they are identified in the normal course of business. The Purchaser's obligation of inspection and complaint in accordance with Section 377 HGB is excluded.

#### **X. Warranty and Liability**

1. The Purchaser is fully entitled to statutory claims for defects.
2. In the event that defective goods are delivered, provided that the relevant statutory requirements and the following conditions are met, and unless otherwise agreed, the Purchaser can demand the following:
  - a) Before the start of production, the Purchaser must initially give the Supplier the opportunity to eliminate the defect or provide

a replacement, unless this is unreasonable for the Purchaser. If the Supplier is not able to take such action, or if the Supplier does not take such action immediately, the Purchaser can withdraw from the contract without setting another deadline and return the goods at the Supplier's risk. If the same goods are repeatedly delivered in a defective condition, then after sending a written warning, the Purchaser is entitled to withdraw from the contract in the event of another defective delivery, also with respect to the goods not yet supplied.

b) If the defect is not determined until after the start of production, then in accordance with Section 439 Par. 1, 3 and 4 BGB, the Purchaser is entitled to request supplementary performance as well as to compensation of the costs required for the purposes of supplementary performance, and also disassembly and assembly costs (costs of labour and materials), or to reduce the purchase price.

c) The right to seek compensation for damages, especially the right to compensation in place of delivery, is expressly reserved. In any case, the Supplier is accountable, even without fault, for any goods and services which it may have procured as though they were goods or services provided by the Supplier itself.

3. Claims of liability for defects will expire at the end of 2 years after delivery to the Purchaser.

4. In the event of defective deliveries, claims made by the Purchaser under the German Product Liability Act, impermissible activity and management without authorisation will not be affected by this section.

5. The Supplier will be liable within the scope of the statutory regulations.

6. The Purchaser will be liable in cases of damages arising from injury to life, limb and health, and in cases of intent or gross negligence on the part of a legal representative or vicarious agent, and also for damage under a guarantee or assurance granted by the Purchaser in accordance with the statutory provisions. In the event of simple or slight negligence, the Purchaser is liable only to compensate for damage which is contractually typical and could reasonably have been foreseen and only if an obligation whose fulfilment makes the due performance of the contract possible in the first place on the fulfilment of which the Supplier regularly relies and may rely has been violated by the Purchaser, a legal representative or vicarious agent. Otherwise, any liability will be ruled out where this is legally permissible.

#### **XI. Product Liability – Indemnification - Third Party Insurance Cover**

1. If the Supplier is responsible for a product defect, they are obligated to indemnify the Purchaser from claims for damages from third parties upon first request, provided that the cause is within its scope of control and organisation, and the Supplier is liable itself in any dealings with external parties.
2. As part of its liability for claims within the meaning of Part. 1, the Supplier is also committed to reimburse any expenditure in accordance with Sections 683, 670 BGB and in accordance with Sections 830, 840, 426 BGB that result from or are in connection with a recall procedure carried out by the Purchaser. The Purchaser will inform the Supplier about the content and scope of the recall measures to be performed – where possible and reasonable – and provide them with the opportunity to comment. Other legal claims will remain unaffected.
3. The Supplier is committed to holding product liability insurance (including covering recall costs) with a coverage level of EUR 3

million for each personal injury/case of damage; if the Purchaser is entitled to further damages, these remain unaffected.

## **XII. Property Rights**

1. The Supplier is liable for claims resulting from the contractual use of the deliverables for violation of property rights and applications for property rights (property rights).
2. The Supplier will indemnify the Purchaser and its customers from all claims resulting from the use of such property rights upon the first written request to do so. The duty of the Supplier to indemnify relates to all costs that the Purchaser or its customers necessarily incur arising from or in connection with a claim asserted by a third party. The limitation period for these claims is 10 years, starting when the respective contract is formed.
3. The contracting parties are committed to informing each other immediately if they become aware of any risks of violations, and to giving each other the opportunity of counteracting such claims by mutual agreement.
4. At the Purchaser's request, the Supplier will notify the use of published and unpublished rights of its own and licensed property rights and applications for property rights to the delivery item.

## **XIII. Quality and Documentation**

1. The Supplier must comply with the recognised rules of technology, safety regulations and the agreed technical data for its deliveries. Changes to the delivery item such as changes to the procurement source of raw materials, changes in production sites or significant changes to the manufacturing process require prior written consent from the Purchaser. Irrespective of this, the Supplier must always review the quality of the deliverables. The contracting parties will mutually notify each other about the potential for quality improvements.
2. A certificate of conformity must be attached to the delivery in accordance with valid specification agreements. The Supplier is required to keep special notes relating to when, how and by whom the delivery items were inspected in terms of the characteristics that need to be reported, and the results of the required quality tests. The test records must be kept for ten years and must be submitted to the Purchaser upon request. The Supplier must obligate upstream suppliers to the same extent within the scope permitted by law.
3. If authorities and customers of the Purchaser request to inspect the production process and the Purchaser's test documents for the purpose of verifying certain requirements, then after consulting with the Purchaser, the Supplier will declare itself willing to grant them the same rights on its premises and to give them every reasonable support.
4. The Supplier will provide material certificates relating to the raw materials that are used (deviations from the minimal requirement only if this is explicitly commissioned when the order is placed) and a supplier's declaration relating to the origin of the delivery item.

## **XIV. Quality Management/Inspection**

1. The Supplier will perform and uphold effective quality assurance measures and provide the Purchaser with evidence of this upon request. The current version of the corresponding standards apply.
2. The Purchaser is entitled to inspect this quality assurance system or the compliance of agreed inspections at all times, either itself or through a third party, as well as to inspect the

Purchaser's customers during the working times applicable at the Supplier.

3. Subcontractors must be obligated accordingly.

## **XV. Export Control Regulations**

1. The Supplier is committed to complying with the relevant counterterrorism regulations as well as those relating to export control.
2. The Supplier is also committed to informing the Purchaser about products that are subject to approval in accordance with the relevant Export Control Regulations of the EC and national regulations upon delivery at the latest and to provide all necessary details.

## **XVI. Confidentiality**

1. The contracting parties undertake to treat as confidential all commercial and technical details which they become aware of through the business relationship and which is not generally available.
2. Samples, test results, computer programs, drawings and other items must not be made accessible to unauthorised third parties or made accessible in any other way. Reproduction of such items is permitted only within the terms of operational requirements.
3. Subcontractors must be obligated accordingly.
4. The contracting parties may only advertise their business relationship with prior written agreement.

## **XVII. General Terms and Conditions**

1. For all work at the Purchaser's premises, the currently valid version of the Purchaser's safety guidelines will apply to the Supplier and its subcontractors.
2. The Law of the Federal Republic of Germany applies, unless agreed otherwise, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
4. The place of performance will be the Purchaser's registered office.
5. The place of jurisdiction is the Purchaser's registered office.
6. These terms and conditions apply only to merchants, legal entities under public law or and separate funds under public law.
7. If any provision of these General Terms and Conditions is or becomes invalid, this will not affect the validity of the remaining provisions.

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