

General Terms and Conditions of Delivery and Payment of Stefan Pfaff Werkzeug- und Formenbau GmbH & Co. KG

1. Scope

- 1.1 These General Terms and Conditions of Delivery and Payment ("GTC") apply to all our business relationships with our customers ("Customer"). They apply only if the Customer is an entrepreneur (§ 14 BGB – German Civil Code), a legal entity under public law or a special fund under public law. They do not apply to our purchasing transactions.
- 1.2 The GTC apply to contracts for the manufacture, sale and delivery of movable goods, in particular tools, moulds, fixtures and equipment ("Goods"), regardless of whether we manufacture the Goods ourselves or purchase them from suppliers (§§ 433, 650 BGB), and to related work and services such as design, modification, repair, installation and commissioning. Where the law on contracts for work applies, its statutory provisions remain unaffected unless otherwise provided below.
- 1.3 Our GTC apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Customer shall only become part of the contract if and to the extent that we have expressly agreed to their application. This requirement of consent also applies if the Customer refers to its general terms and conditions in the order and we do not expressly object to them.
- 1.4 Unless otherwise agreed, the GTC in the version valid at the time of the Customer's order or, in any case, in the version last notified to the Customer in text form shall also apply as a framework agreement to similar future contracts, without our having to refer to them again in each individual case.
- 1.5 Individual agreements made with the Customer in individual cases (including collateral agreements, supplements and amendments) and information in our order confirmation take precedence over these GTC. Subject to proof to the contrary, a written contract or our written confirmation is authoritative for the content of such agreements.
- 1.6 Legally relevant declarations and notices by the Customer with regard to the contract (e.g. setting of deadlines, notification of defects, withdrawal or reduction) must be made in writing. "In writing" within the meaning of these GTC includes written form and text form (e.g. letter, e-mail). Statutory formal requirements and further evidence, in particular in the event of doubts about the legitimacy of the declaring party, remain unaffected.
- 1.7 References to the application of statutory provisions are for clarification purposes only. Even without such clarification, the statutory provisions apply unless they are directly amended or expressly excluded in these GTC.

2. Quotations and conclusion of contract

- 2.1 Our quotations are subject to change and non-binding. This also applies if we have provided the Customer with catalogues, technical documentation (e.g. drawings, plans, calculations, references to DIN standards), other product descriptions or documents – also in electronic form. Information in our quotations and order confirmations based on an obvious error, in particular a typing or calculation error, shall not bind us; the obviously intended declaration shall apply.
- 2.2 We reserve ownership rights and copyrights to all documents provided to the Customer in connection with the quotation and the placing of the order. These documents are intended exclusively for the Customer and may not be

made accessible to third parties unless we give our express written consent.

- 2.3 The Customer's order for the Goods constitutes a binding offer to conclude a contract. Unless otherwise stated in the order, we are entitled to accept this offer within two weeks of its receipt. Acceptance is declared in writing (e.g. by order confirmation) or by delivery of the Goods. If we do not accept the offer within this period, documents transmitted to the Customer must be returned to us without undue delay.
- 2.4 Our performance is based on the description of services in our quotation or order confirmation or on the descriptions of services set out in the functional specifications and confirmed by us in writing.

3. Prices and terms of payment

- 3.1 Unless otherwise agreed in writing in individual cases, our prices current at the time of conclusion of the contract apply ex works Röthenbach (Allgäu), plus statutory value added tax. Costs of packaging, freight, unloading, transport, installation and commissioning are not included and will be invoiced separately.
- 3.2 Unless a fixed price has been agreed, we reserve the right to make reasonable price changes due to changes in labour, material, energy and distribution costs for deliveries made three months or later after conclusion of the contract.
- 3.3 In the case of sale by dispatch, the Customer shall bear the transport costs ex works and the costs of any transport insurance requested. Any customs duties, fees, taxes and other public charges shall be borne by the Customer.
- 3.4 Unless otherwise agreed, the remuneration is due and payable without deduction within 30 days of invoicing and delivery or acceptance. A cash discount may only be deducted if specially agreed in writing. We are entitled at any time, also within an ongoing business relationship, to make a delivery in whole or in part only against advance payment; we shall declare such a reservation at the latest with the order confirmation.
- 3.5 Upon expiry of the above payment period, the Customer shall be in default. During default, interest shall be charged on the remuneration at the applicable statutory default interest rate of nine percentage points above the base interest rate (§ 288 (2) BGB). We reserve the right to claim further damages caused by default. Our claim to commercial interest from the due date (§ 353 HGB – German Commercial Code) against merchants remains unaffected.
- 3.6 If, after conclusion of the contract, it becomes apparent that our claim to remuneration is jeopardised by the Customer's inability to pay (e.g. by an application for the opening of insolvency proceedings), we are entitled under the statutory provisions to refuse performance and – if necessary after setting a deadline – to withdraw from the contract (§ 321 BGB). In the event of default in payment, we are entitled to withhold delivery.

4. Set-off and retention

- 4.1 The Customer is only entitled to set off or to exercise a right of retention if its claim has been finally established by a court or is undisputed. In addition, the Customer may only exercise a right of retention if its counterclaim is based on the same contractual relationship.
- 4.2 In the event of defects in the delivery, the Customer's counter-rights, in particular pursuant to clause 9.7 sentence 3, remain unaffected. This also applies to counterclaims for

defects or additional completion costs arising from the same contractual relationship.

5. Delivery period, delay in delivery, force majeure

- 5.1 The delivery period is agreed individually or specified by us upon acceptance of the order. Delivery periods and dates are only binding if they are expressly designated as binding in the quotation or order confirmation. The commencement of the delivery period presupposes the timely and proper fulfilment of the Customer's obligations to cooperate, in particular the supply of data in the agreed form and the timely granting of approvals.
- 5.2 Delays in delivery resulting from the Customer requesting changes to the original order, failing to fulfil its obligations to cooperate or failing to do so in time, or supplying defective data that must be reworked shall be borne by the Customer. If production comes to a standstill in such cases, we may demand compensation for the downtime costs incurred by us.
- 5.3 If we are unable to meet binding delivery periods for reasons for which we are not responsible (non-availability of performance), we shall inform the Customer of this without undue delay and at the same time notify the expected new delivery period. If the performance is not available within the new delivery period either, we are entitled to withdraw from the contract in whole or in part; we shall refund any consideration already paid by the Customer without undue delay. Non-availability includes in particular late delivery to us by our suppliers where we have concluded a congruent hedging transaction, as well as other disruptions in the supply chain.
- 5.4 In the event of force majeure and other unforeseeable, exceptional circumstances for which we are not responsible – e.g. difficulties in procuring materials, operational disruptions, strikes, lockouts, shortage of means of transport, official interventions, energy supply difficulties, terrorism, war, embargo or pandemic, even if they occur at sub-suppliers – the delivery period shall be extended to a reasonable extent. If delivery thereby becomes impossible or unreasonable, we shall be released from our obligation to deliver. If the delay lasts longer than three months or is unreasonable for the Customer, the Customer is entitled to withdraw from the contract. Claims for damages by the Customer are excluded in these cases. We may only invoke these circumstances if we notify the Customer without undue delay.
- 5.5 Whether we are in default of delivery is determined by the statutory provisions; in any case, however, a reminder from the Customer is required.
- 5.6 The rights of the Customer under clause 11 and our statutory rights, in particular in the event of an exclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance), remain unaffected.

6. Delivery, transfer of risk, acceptance, default of acceptance

- 6.1 Delivery is made ex works Röthenbach (Allgäu), which is also the place of performance for delivery and any subsequent performance. At the Customer's request and expense, the Goods will be shipped to another destination (sale by dispatch). Unless otherwise agreed, we shall determine the type of shipment (packaging, shipping route, carrier). Partial deliveries are permitted insofar as they are reasonable for the Customer.
- 6.2 The risk of accidental loss and accidental deterioration of the Goods passes to the Customer at the latest upon handover. In the case of sale by dispatch, the risk passes upon delivery of the Goods to the forwarder, carrier or other

person designated to carry out the shipment, even if we have assumed further services such as shipping costs, delivery or installation.

- 6.3 Insofar as acceptance has been agreed or the law on contracts for work applies, acceptance is decisive for the transfer of risk. The Goods or services shall be accepted upon completion; this also applies to self-contained partial services. In all other respects, the statutory provisions of the law on contracts for work apply accordingly to an agreed acceptance.
- 6.4 Handover or acceptance is deemed to have taken place if the Customer is in default of acceptance. The same applies if an agreed installation is interrupted for reasons for which the Customer is responsible and we have handed over the services rendered up to that point into the custody of the Customer by mutual agreement.
- 6.5 If the Customer is in default of acceptance, fails to perform an act of cooperation or if our delivery is delayed for other reasons for which the Customer is responsible, we are entitled to demand compensation for the resulting damage, including additional expenses (e.g. storage costs). Our statutory claims (in particular reimbursement of additional expenses, reasonable compensation, termination) remain unaffected. The Customer reserves the right to prove that we have suffered no damage or significantly less damage.
- 6.6 At the Customer's request and expense, we will insure the consignment against theft, breakage, transport, fire and water damage and other insurable risks.

7. Weights, dimensions, deviations

- 7.1 Depending on the type of Goods, over- or under-deliveries of the agreed quantities and weights are permitted within the scope customary in the trade and industry.
- 7.2 The DIN tolerances and deviations customary in the trade apply to the prescribed dimensions unless we have agreed different quality requirements with the Customer. Technical improvements and necessary technical changes are deemed to be in conformity with the contract insofar as they do not result in a reduction in value and are reasonable for the Customer.

8. Retention of title

- 8.1 We retain title to the Goods delivered until full payment of all our present and future claims arising from the contract and an ongoing business relationship (secured claims).
- 8.2 Before full payment of the secured claims, the Goods subject to retention of title may neither be pledged to third parties nor transferred by way of security. The Customer must notify us in writing without undue delay if an application is made for the opening of insolvency proceedings or if third parties access the Goods belonging to us (e.g. by seizure). Insofar as the third party is unable to reimburse us for the judicial and extrajudicial costs of an action pursuant to § 771 ZPO (German Code of Civil Procedure), the Customer is liable for the loss incurred by us. The Customer shall bear all costs incurred in lifting the seizure or in transporting the Goods subject to retention of title back, insofar as they are not reimbursed by third parties.
- 8.3 In the event of breach of contract by the Customer, in particular non-payment of the remuneration due, we are entitled to withdraw from the contract in accordance with the statutory provisions and/or to demand return of the Goods on the basis of the retention of title. The demand for return does not at the same time constitute a declaration of withdrawal. If the Customer does not pay the remuneration due, we may only assert these rights if we have previously set the Customer a reasonable deadline for payment without success or if setting such a deadline is dispensable under the statutory provisions.

- 8.4 Until revoked in accordance with clause 8.4 (c), the Customer is entitled to resell and/or process the Goods subject to retention of title in the ordinary course of business. In this case, the following provisions apply in addition:
- (a) The retention of title extends to the products resulting from the processing, mixing or combining of the Goods at their full value, whereby we are deemed to be the manufacturer (§ 950 BGB). If, in the case of processing, mixing or combining with goods of third parties, their right of ownership remains, we shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. In all other respects, the same applies to the resulting product as to the Goods delivered subject to retention of title.
 - (b) The Customer hereby assigns to us by way of security the claims against third parties arising from the resale of the Goods or the product in total or in the amount of our co-ownership share, if any, pursuant to (a); we accept the assignment. The obligations of the Customer set out in clause 8.2 also apply with regard to the assigned claims. Assignment by way of genuine factoring is permitted if it is notified to us and the factoring proceeds exceed the value of our secured claim.
 - (c) The Customer remains authorised to collect the claim alongside us. We undertake not to collect the claim as long as the Customer meets its payment obligations towards us, there is no lack of ability to pay on the part of the Customer and we do not assert the retention of title by exercising a right pursuant to clause 8.3. A lack of ability to pay exists in particular if the Customer stops payments, if insolvency proceedings are applied for or opened, or if out-of-court settlement or restructuring proceedings or restructuring proceedings under the German Act on the Stabilisation and Restructuring Framework for Businesses (StaRUG) are initiated. In these cases, we may demand that the Customer discloses to us the assigned claims and their debtors, provides all information required for collection, hands over the related documents and notifies the debtors of the assignment. We are also entitled to revoke the Customer's authority to resell and process the Goods subject to retention of title.
 - (d) If the realisable value of the securities exceeds our claims by more than 10 %, we shall release securities of our choice at the Customer's request.
- 8.5 As long as ownership has not yet passed, the Customer must treat the Goods with care and insure them adequately at replacement value against theft, fire and water damage at its own expense. The Customer must carry out any necessary maintenance and inspection work in good time at its own expense.

9. Customer's claims for defects

- 9.1 The statutory provisions apply to the Customer's rights in the event of material defects and defects of title (including wrong and short delivery as well as improper installation or defective instructions), unless otherwise provided below. The Customer's rights under separately issued guarantees remain unaffected.
- 9.2 The basis of our liability for defects is primarily the agreement reached on the quality and the intended use of the Goods (including accessories and instructions). We are only responsible for the suitability of the Goods for a particular purpose if this has been expressly agreed. Insofar as the quality has not been agreed, the existence of a defect shall be assessed in accordance with the statutory provisions (§ 434 (3) BGB). We accept no liability for public statements made by third parties.
- 9.3 In the case of goods with digital elements or other digital content, we are only obliged to provide and update the

digital content if this is expressly stated in a quality agreement pursuant to clause 9.2.

- 9.4 We are generally not liable for defects of which the Customer is aware at the time of conclusion of the contract or of which it is unaware due to gross negligence (§ 442 BGB). Furthermore, liability for defects does not extend to wearing parts or to damage occurring after the transfer of risk as a result of natural wear and tear, humidity, excessive heating, other temperature or weather influences, improper handling, overstraining or the use of unsuitable operating materials or lubricants. The Customer must observe the maintenance and care instructions.
- 9.5 If the Customer specifies the use of a particular material, provides the material to be used or requires a particular design deviating from the usual production, we are not liable for defects based on these specifications; our duties to give notice remain unaffected. We are not liable for parts, materials or other equipment manufactured by the Customer or on its behalf. If the Customer or a third party makes changes to or interventions in the Goods without our written consent or uses spare parts not approved by us, claims for defects are excluded unless the Customer proves that the defect is not attributable to this.
- 9.6 Claims for defects presuppose that the Customer has complied with its statutory obligations to inspect and give notice of defects (§§ 377, 381 HGB). If a defect becomes apparent upon delivery, inspection or at a later point in time, we must be notified of this in writing without undue delay. Obvious defects must be notified in writing within two weeks of delivery, and defects not recognisable during inspection within the same period from their discovery. If the Customer fails to carry out a proper inspection and/or to give notice of defects, our liability for the defect not notified, not notified in time or not notified properly is excluded in accordance with the statutory provisions.
- 9.7 If the Goods delivered are defective, we may initially choose whether to provide subsequent performance by remedying the defect (rectification) or by delivering a defect-free item (replacement). If the type of subsequent performance chosen by us is unreasonable for the Customer in the individual case, the Customer may reject it. We are entitled to make the subsequent performance owed dependent on the Customer paying the remuneration due; however, the Customer is entitled to retain a part of the remuneration that is reasonable in relation to the defect. Our right to refuse subsequent performance under the statutory conditions remains unaffected.
- 9.8 The Customer must give us the time and opportunity required for the subsequent performance owed, in particular hand over the rejected Goods for inspection purposes. In the event of a replacement delivery, the Customer must return the defective item to us in accordance with the statutory provisions. Subsequent performance includes neither the removal of the defective item nor its re-installation if we were not originally obliged to install it; claims of the Customer for reimbursement of corresponding costs remain unaffected.
- 9.9 We shall bear or reimburse the expenses required for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs and, where applicable, removal and installation costs, in accordance with the statutory provisions and these GTC if a defect actually exists. Otherwise, we may demand reimbursement from the Customer of the costs arising from the unjustified request to remedy a defect if the Customer knew or could have recognised that there was actually no defect.
- 9.10 In urgent cases, e.g. if operational safety is endangered or to prevent disproportionate damage, the Customer has the right to remedy the defect itself and to demand

reimbursement from us of the expenses objectively required for this purpose. We must be notified of such self-remedy without undue delay, if possible in advance. The right of self-remedy does not exist if we would be entitled to refuse corresponding subsequent performance under the statutory provisions.

- 9.11 If a reasonable deadline to be set by the Customer for subsequent performance has expired without success or is dispensable under the statutory provisions, the Customer may withdraw from the contract or reduce the remuneration in accordance with the statutory provisions. However, there is no right of withdrawal in the case of an insignificant defect. Rectification shall be deemed to have failed after the third unsuccessful attempt, unless the nature of the item or the defect or other circumstances indicate otherwise.
- 9.12 Claims of the Customer for reimbursement of expenses pursuant to § 445a (1) BGB are excluded unless the last contract in the supply chain is a consumer goods purchase (§§ 478, 474 BGB) or a consumer contract for the provision of digital products (§§ 445c sentence 2, 327 (5), 327u BGB).
- 9.13 Claims of the Customer for damages or reimbursement of futile expenses (§ 284 BGB) exist, even in the case of defects in the Goods, only in accordance with clauses 10 and 11.

10. Limitation

- 10.1 Notwithstanding § 438 (1) no. 3 BGB and § 634a (1) no. 1 BGB, the general limitation period for claims arising from material defects and defects of title is one year from delivery. Insofar as acceptance has been agreed or the law on contracts for work applies, the limitation period begins upon acceptance.
- 10.2 If the Goods are a building or an item that has been used for a building in accordance with its customary use and has caused its defectiveness (building material), the limitation period is five years from delivery in accordance with the statutory provisions (§ 438 (1) no. 2 BGB). Other special statutory provisions on limitation (in particular § 438 (1) no. 1, (3), §§ 444, 445b BGB) also remain unaffected.
- 10.3 The above limitation periods also apply to contractual and non-contractual claims for damages by the Customer based on a defect in the Goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in the individual case. The limitation periods do not apply in the case of intent, fraudulent intent or the assumption of a guarantee. Claims for damages by the Customer pursuant to clause 11.2 sentence 1 and clause 11.2 (a) and under the German Product Liability Act (Produkthaftungsgesetz) are subject exclusively to the statutory limitation periods.

11. Other liability

- 11.1 Unless otherwise provided in these GTC, including the following provisions, we are liable in accordance with the statutory provisions in the event of a breach of contractual and non-contractual obligations.
- 11.2 We are liable for damages – irrespective of the legal grounds – within the scope of fault-based liability in the event of intent and gross negligence. In the event of simple negligence, we are liable, subject to statutory limitations of liability (e.g. care in our own affairs; insignificant breach of duty), only
 - (a) for damage resulting from injury to life, body or health,
 - (b) for damage resulting from the breach of a material contractual obligation (an obligation whose fulfilment makes the proper performance of the contract possible in the first place and on whose compliance the contractual partner regularly relies and may rely); in this case, however, our

liability is limited to compensation for the foreseeable, typically occurring damage.

- 11.3 The limitations of liability resulting from clause 11.2 also apply to third parties and to breaches of duty by (and in favour of) persons whose fault we are responsible for under statutory provisions. They do not apply insofar as we have fraudulently concealed a defect or assumed a guarantee for the quality of the Goods, or to claims of the Customer under the German Product Liability Act.
- 11.4 The Customer may only withdraw from or terminate the contract due to a breach of duty that does not consist of a defect if we are responsible for the breach of duty. In all other respects, the statutory requirements and legal consequences apply.

12. Materials provided by the Customer

- 12.1 If the material to be processed by us is provided by the Customer, the material residues (waste) resulting from processing shall pass into our ownership without compensation, unless otherwise agreed.
- 12.2 If we detect defects in material provided, we will inform the Customer without undue delay and agree on the further procedure with the Customer.

13. Copyright, design and production data

- 13.1 Copyright and ownership of design drawings, 3D tool data, CAM data, electrodes, technology data and all copyrightable work that we perform for the Customer remain with us. Where applicable, the Customer receives electronic design data as 3D data.
- 13.2 Licences and rights of use may be acquired by the Customer by way of a separate contract.

14. Third-party property rights, indemnification

- 14.1 If the Customer requires a particular design or specification of the Goods, it must check in advance whether this may infringe copyrights, patents or other rights of third parties and inform us of the result before conclusion of the contract. Without sufficient cause, we are not obliged to examine whether the Customer's specifications infringe the rights of third parties.
- 14.2 If we establish after conclusion of the contract that the requested design or specification infringes or may infringe the rights of third parties, we are entitled to demand that the Customer removes this obstacle within a reasonable period and to suspend work until then. If the Customer fails to comply despite the setting of a grace period, we are entitled to withdraw from the contract and to claim damages.
- 14.3 If claims are asserted against us by third parties in the cases of clause 14.1 sentence 1 due to infringement of their rights, the Customer shall indemnify us against these claims insofar as it is responsible for the infringement. The indemnification includes the necessary costs of legal defence; we may demand a reasonable advance on these costs. After full indemnification, the Customer may demand the assignment of our claims against third parties for reimbursement of costs and damages.

15. Contractual penalties

- 15.1 We only accept contractual penalties if they have been individually negotiated and agreed in writing. Contractual penalties in the Customer's general terms and conditions are not binding on us.
- 15.2 §§ 339 et seq. BGB apply to contractual penalties, with the proviso that the party wishing to derive rights from a promise of a contractual penalty must present and prove the prerequisites. Any contractual penalty shall be offset against other claims for damages. We may prove that no damage or less damage was incurred. A disproportionately

high forfeited contractual penalty may be reduced by court judgement pursuant to § 343 BGB; § 348 HGB shall not apply.

16. Choice of law, place of jurisdiction, final provisions

- 16.1 These GTC and the contractual relationship between us and the Customer are governed by the law of the Federal Republic of Germany, excluding international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods (CISG).
- 16.2 If the Customer 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 directly or indirectly from the contractual relationship is our registered office in Röthenbach (Allgäu). The same applies if the Customer is an entrepreneur within the meaning of § 14 BGB. However, we are in all cases also entitled to bring an action at the place of performance of the delivery obligation in accordance with these GTC or an overriding individual agreement, or at the Customer's general place of jurisdiction. Overriding statutory provisions, in particular regarding exclusive jurisdiction, remain unaffected.
- 16.3 Should individual provisions of these GTC be or become invalid or contain a gap, the remaining provisions shall remain unaffected.
- 16.4 These GTC are available in German and English. In the event of discrepancies, the German version shall prevail.

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