

Technical Terms and Conditions of Purchase of H. & J. Brügggen KG

§ 1 General, scope of application

- 1.1 These Technical Terms and Conditions of Purchase (hereinafter referred to as "**TEB**") of H. & J. Brügggen KG (hereinafter referred to as "**Brügggen**") apply exclusively to all purchases of capital goods, e.g. concerning machines, equipment, systems, spare parts and accessories, as well as to all orders placed for work services such as construction, repair and maintenance work (hereinafter collectively referred to as "**Delivery**"), which Brügggen makes with business partners ("**Suppliers**").
- 1.2 Any terms and conditions of the supplier that conflict with or deviate from these TEB will not be recognized unless Brügggen expressly agrees to their validity in writing.
- 1.3 No verbal collateral agreements have been made. Agreements deviating from or supplementing these TEB must be recorded in writing.
- 1.4 These TEB also apply if Brügggen accepts a delivery from the supplier without reservation in the knowledge of conflicting or deviating conditions of the supplier.
- 1.5 If a framework supply agreement has been concluded between Brügggen and the supplier, the framework agreement, the written order from Brügggen and these TEB are decisive for the content of the contractual agreement. If these differ in content, the written order shall take precedence over the framework agreement and the subsequent TEB. All future transactions with the Supplier shall also be carried out - subject to the provisions of the framework agreement and the order - exclusively on the basis of these TEB.

§ 2 Conclusion of contract

- 2.1 The offer of Brügggen to conclude a contract ("**order**") must be made in writing to be effective, which is deemed to be fulfilled by letter, fax or e-mail.
- 2.2 Brügggen's written order is not only based on these TEB, but also on Brügggen's "Code of Conduct", which can be viewed at www.brueggen.com/de/verhaltenskodex/ . The supplier must confirm compliance with the principles anchored in the Code of Conduct Brügggen at <https://forms.office.com/r/CTJ873kquB?origin=lprLink>.
- 2.3 The supplier is obliged to confirm Brügggen's order in writing within a period of three days or to execute it without reservation, in particular by dispatching the goods or providing the service (acceptance).
- 2.4 A delayed acceptance is considered a new offer and requires the acceptance of Brügggen.
- 2.5 The supplier must inform Brügggen of any obvious errors (e.g. typing or calculation errors), incompleteness or ambiguities in the order including the order documents, otherwise the contract shall be deemed not to have been concluded.
- 2.6 Verbal agreements prior to or upon conclusion of the contract require the written confirmation of Brügggen to be effective. §2.1 remains unaffected.
- 2.7 Verbal agreements after the conclusion of the contract, in particular subsequent amendments and supplements to these TEB - including this written form clause - as well as collateral agreements of any kind also require the written confirmation of Brügggen to be effective.
- 2.8 No remuneration is granted for the preparation of offers, plans, drafts, samples, cost estimates and the like. These are non-binding for Brügggen.

§ 3 Prices

- 3.1 Unless otherwise agreed in writing, all prices are fixed prices including the statutory value added tax if this is not shown separately.
- 3.2 The agreed prices are binding.
- 3.3 Unless otherwise agreed in individual cases, the price includes all main and ancillary services of the supplier (e.g. installation, assembly, provision of tools, testing and training of Brügggen personnel) as well as ancillary costs (e.g. proper packaging, transportation and travel costs including any transportation and liability insurance costs).
- 3.4 In the case of work to be invoiced on a time and material basis, the supplier is obliged to inform Brügggen immediately if it becomes apparent that the estimated costs will be exceeded.

§ 4 Terms of payment

- 4.1 The agreed price is due for payment within 30 calendar days of complete delivery (including any agreed acceptances) and receipt of a proper invoice. If Brügggen pays within 14 calendar days, a 3% discount on the net invoice amount is agreed.
- 4.2 If an invoice from the supplier contains data that deviates from the contract or contains errors, Brügggen reserves the right to return the invoice in question to the supplier for correction, postponing the payment date.
- 4.3 Interest on arrears shall not be owed. The statutory provisions shall apply to late payment.
- 4.4 Brügggen is entitled to set-off and retention rights as well as the defense of non-performance of the contract to the extent permitted by law. Brügggen is in particular entitled to withhold due payments as long as Brügggen is still entitled to claims from incomplete or defective deliveries against the supplier
- 4.5 The Supplier shall only be entitled to a right of set-off or retention on the basis of legally established or undisputed counterclaims.

- 4.6 Brügggen is only obliged to make partial or advance payments if the supplier provides a bank guarantee in the same amount to secure the advance payment. Subject to deviating agreements in individual cases, the following partial or advance payment amounts are deemed agreed in accordance with § 4.6 sentence 1:
- 30% on conclusion of the contract,
 - 60% after delivery,
 - 10% after defect-free acceptance and submission of the complete documentation.

§ 5 Delivery

- 5.1 Deviations from the order are only permitted with the prior written consent of Brügggen.
- 5.2 Unless otherwise agreed in writing, systems to be delivered or maintained shall be handed over ready for operation.
- 5.3 The supplier is not entitled to have the delivery owed by him performed by third parties (e.g. subcontractors) without the prior written consent of Brügggen. Even in the case of consent, the supplier remains fully responsible for the proper fulfillment of the contract.
- 5.4 The supplier shall bear the procurement risk for its delivery, unless otherwise agreed in individual cases (e.g. limitation to a stock).
- 5.5 Delivery within Germany is "free domicile" to the place specified in the order. If a destination is not specified or nothing else has been agreed upon, the delivery has to be made to the place of business of Brügggen. The respective place of destination is also the place of performance for the delivery and any subsequent performance (obligation to deliver). If a special calculation of the packaging has been agreed upon, it will be credited in full in case of freight paid return.
- 5.6 The supplier must provide all the necessary aids for the delivery owed, such as tools, lifting and slinging equipment, welding equipment, ladders, scaffolding and fire protection equipment at its own expense. This also includes all work equipment prescribed by the employers' liability insurance association.
- 5.7 A delivery bill stating the date (date of issue and delivery), delivery note number, contents of the delivery (article number and delivery quantity) as well as the order number of Brügggen (date and number) must be enclosed with the delivery. Furthermore, all other agreed documents - in particular spare parts list, circuit diagrams and certificates - are to be handed over to Brügggen immediately after acceptance in the agreed number and type.
- 5.8 If the delivery bill is missing or incomplete, Brügggen is not responsible for any resulting delays in processing and payment. A corresponding dispatch note with the same content is to be sent to Brügggen separately from the delivery bill.
- 5.9 For quantities, weights and dimensions, the values determined by Brügggen during the incoming goods inspection are decisive, unless otherwise proven.
- 5.10 Partial deliveries are generally not permitted, unless Brügggen has expressly agreed to them or they are reasonable for Brügggen.

§ 6 Delivery time and delay in delivery

- 6.1 Agreed delivery dates and delivery periods are binding. The receipt of the goods at Brügggen or at the place of use specified by Brügggen is decisive for compliance with the delivery date or the delivery period. If a shipment of the goods "ex works" has been agreed upon, the supplier has to provide the goods in due time, taking into account the time for loading and shipment to be agreed upon with the carrier.
- 6.2 The supplier is obliged to inform Brügggen immediately in writing if he will probably not be able to meet agreed delivery periods or delivery dates - for whatever reason - or not in the agreed quality.
- 6.3 If agreed delivery dates or delivery periods are culpably exceeded, the supplier is in default without the need for a further reminder. The supplier is obliged to compensate Brügggen for the damage caused by the delay in accordance with the legal regulations. Brügggen expressly reserves the right to assert further legal claims and rights, in particular the right to withdraw from the contract.
- 6.4 If the supplier is in default with the delivery, Brügggen may - in addition to further statutory claims - demand lump-sum compensation for its damage caused by default in the amount of 1% of the net price per completed calendar week, but not more than a total of 5% of the net price of the goods delivered late. Brügggen reserves the right to prove that a higher damage has occurred. The supplier has the right to prove that Brügggen has suffered no or only minor damages.

§ 7 Impossibility, force majeure, insolvency

- 7.1 If delivery is or becomes impossible for the supplier for reasons for which the supplier is responsible, the statutory provisions shall apply.
- 7.2 In the event of force majeure, such as war, lockout, strike, pandemics or other unforeseeable circumstances that cause significant operational disruptions, Brügggen is entitled to withdraw from the contract to the exclusion of any claims for compensation by the supplier.
The same applies if the supplier cannot meet an agreed delivery date or an agreed delivery period due to events of force majeure and no agreement is reached with Brügggen on a new delivery date.
- 6.4 If insolvency proceedings are opened against the assets of the supplier or if an application for the opening of insolvency proceedings is filed and the contract has not yet been fulfilled, this entitles Brügggen to withdraw from the contract.

§ 8 Transfer of risk, default of acceptance

- 8.1 The risk of accidental loss and accidental deterioration of the delivery shall pass to Brüggem upon handover at the place of destination.
- 8.2 If acceptance has been agreed, this shall be decisive for the transfer of risk, if necessary taking into account separately agreed conditions. If acceptance requires commissioning of the delivery, this shall be carried out by the Supplier's specialist personnel at the Supplier's expense, subject to separate agreements in individual cases. In any case, a record of the acceptance shall be drawn up and signed by both parties. In all other respects, the statutory provisions of the law on contracts for work and services shall apply accordingly in the event of acceptance.
- 8.3 The statutory regulations apply to the occurrence of default of acceptance by Brüggem. However, the supplier must also expressly offer his delivery to Brüggem if a specific or determinable calendar time has been agreed for an action or cooperation to be provided by Brüggem. If Brüggem is in default of acceptance, the supplier can demand compensation for his additional expenses according to the legal regulations (§ 304 BGB). If the order concerns a non-fungible item to be manufactured by the supplier (individual production), the supplier is only entitled to further rights if Brüggem has undertaken to cooperate and is responsible for the failure to cooperate.

§ 9 Warranty, obligation to give notice of defects and rights due to defects

- 9.1 The rights of Brüggem in case of material defects or defects of title of the delivery (including wrong and short delivery as well as improper assembly, defective assembly, operating or operating instructions) and in case of other breaches of duty by the supplier result from the statutory provisions, unless otherwise agreed below.
- 9.2 According to the statutory provisions, the supplier is liable in particular for ensuring that the delivery has the agreed quality upon transfer of risk to Brüggem. In any case, those product or service descriptions that - in particular by designation or reference in Brüggem's order - are the subject matter of the respective contract or have been included in the contract in the same way as these TEB are deemed to be an agreement on the quality. It makes no difference whether the product or service description originates from Brüggem, the supplier or the manufacturer.
- 9.3 In particular, the Supplier warrants that its delivery complies with all relevant statutory and official provisions applicable in the Federal Republic of Germany and all other relevant technical guidelines and DIN regulations and does not infringe the rights of third parties. The relevant statutory provisions include in particular the requirements of the Equipment Safety Act, VDE regulations, immission control regulations and the relevant regulations of the competent trade associations.
- 9.4 The statutory provisions (§§ 377, 381 HGB) apply to the commercial obligation to inspect and give notice of defects with the following proviso:
 Brüggem's obligation to inspect is limited to defects that become apparent during Brüggem's incoming goods inspection under external examination, including the delivery documents (e.g. transport damage, wrong and short deliveries) or that are recognizable during Brüggem's quality controls by random sampling. If acceptance has been agreed, there is no obligation to inspect. Otherwise, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case.
 Brüggem's obligation to give notice of defects discovered later remains unaffected. Notwithstanding the obligation to inspect, a complaint (notice of defects) by Brüggem is considered immediate and timely if it is sent within 14 days of discovery in the case of hidden defects or within 2 days of delivery in the case of obvious defects.
- 9.5 In the event of a defective delivery, Brüggem may initially demand subsequent performance free of charge - at its own discretion by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery). In both cases, the supplier bears all costs incurred by him or Brüggem (e.g. transport, travel, labor and material costs or costs for an incoming goods inspection exceeding the usual scope). The same applies to any dismantling and installation costs incurred. In the event of a replacement delivery, the Supplier shall take back the defective goods at its own expense.
- 9.6 In case of unsuccessful supplementary performance, unreasonableness or default of the supplier with the rectification, Brüggem can withdraw from the contract without further notice and return the delivery at the risk and expense of the supplier.
- 9.7 In these and other urgent cases - in particular to avert acute danger or to avoid major damage - if it is no longer possible to inform the supplier of the defect and set him a deadline for remedy, Brüggem may remedy the defect itself or have it remedied by a third party at the supplier's expense.
 In the event of a material defect or defect of title, Brüggem is otherwise entitled to reduce the price or to withdraw from the contract in accordance with the statutory provisions. Furthermore, Brüggem is entitled to compensation for damages and expenses according to the legal regulations.

§ 10 Producer liability

- 10.1 In the event that Brüggem is held liable on the basis of product liability, the supplier is obligated to indemnify Brüggem from such claims if and to the extent that the damage was caused by a defect in the goods delivered by the supplier. In cases of fault-based liability, however, this only applies if the supplier is at fault.
- 10.2 Within the scope of its indemnification obligation, the supplier must reimburse such expenses in accordance with §§ 683, 670 BGB, which arise from or in connection with a claim by third parties, including the costs of any legal action or recall action. Brüggem will inform the supplier about the content and scope of recall actions - as far as possible and reasonable - and give him the opportunity to comment. Further legal claims remain unaffected.
- 10.3 The supplier shall take out and maintain product liability insurance with a lump sum cover of at least EUR 10 million per personal injury/property damage.

§ 11 Statute of limitations

- 11.1 The mutual claims of the parties shall become time-barred in accordance with the statutory provisions, unless otherwise stipulated below
- 11.2 Notwithstanding § 438 Para. 1 No. 3 BGB, the general limitation period for claims for defects is three years from the transfer of risk. In the event of a subsequent delivery, the limitation period for the newly delivered goods shall begin anew. If acceptance has been agreed, the limitation period shall commence upon acceptance. The three-year limitation period also applies accordingly to claims arising from defects of title, whereby the statutory limitation period for third-party claims for restitution in rem (§ 438 Para. 1 No. 1 BGB) remains unaffected; claims arising from defects of title do not expire in any case as long as the third party can still assert the right against Brüggem - in particular in the absence of a limitation period.
- 11.3 The limitation periods of the law of work and sale, including the above extension, apply - to the extent permitted by law - to all contractual claims for defects. Insofar as Brüggem is also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period applies (§§ 195, 199 BGB), unless the application of the limitation periods of the law on work and services or sales law leads to a longer limitation period in individual cases.

§ 12 Assignment, ownership

- 12.1 The supplier may only transfer, assign or pledge this contract or individual rights or claims arising from it to third parties with the written consent of Brüggem.
- 12.2 Other forms of retention of title than the simple retention of title of the supplier and the advance assignment of the purchase price claim within the framework of an extended retention of title customary in the industry are excluded. Deviating declarations of the supplier on delivery bills, invoices or other documents are only binding if they are confirmed in writing by Brüggem.

§ 13 Liability of the supplier

- 13.1 The Supplier shall be liable for damages, irrespective of the legal grounds, in accordance with the statutory provisions.

§ 14 Liability of Brüggem

- 14.1 Brüggem is liable for damages, regardless of the legal grounds, only in the case of intent or gross negligence on the part of its organs or assistants. The above exclusion of liability for simple negligence does not apply to the violation of essential contractual obligations. In the event of a breach of material contractual obligations, liability shall be limited to typical, foreseeable damage.
- 14.2 Liability for damages due to a guarantee assumed by Brüggem as well as due to liability under the Product Liability Act or other mandatory standards remains unaffected by the above provisions. The same applies in the event of damage caused by injury to life, body or health.

§ 15 Industrial property rights and copyrights

- 15.1 Brüggem reserves all property rights, copyrights and other industrial property rights as well as know-how rights with regard to pictures, drawings, calculations, models, samples, templates and the like as well as other documents and computer software provided by Brüggem.

§ 16 Confidentiality, advertising, data protection

- 16.1 The supplier must keep secret from third parties all knowledge and information of a technical and commercial nature (hereinafter referred to as "**secret information**") obtained within the scope of the contractual relationship with Brüggem, even beyond the duration of the contractual relationship, as long as and insofar as he cannot provide proof that this secret information was already known or in the public domain at the time it was obtained by the supplier or became public knowledge later through no fault of his own or was demonstrably developed completely independently by the supplier or was obtained by a third party without breach of the confidentiality obligation.
- 16.2 Documents disclosed by Brüggem concerning confidential information, in particular documents exchanged in the course of the cooperation, remain the property of Brüggem and must be returned upon request by Brüggem, at the latest upon termination of the contractual relationship. Any kind of license to confidential information requires a written agreement.
- 16.3 Subcontractors are to be obligated accordingly. The culpable violation of confidentiality on the part of the supplier entitles Brüggem to claim damages in accordance with the statutory provisions.
- 16.4 The supplier has no right of retention with regard to confidential information or corresponding documents and materials
- 16.5 Separately concluded non-disclosure and confidentiality agreements remain unaffected by the above provisions of this § 16.
- 16.6 The Supplier may only refer to the business relationship with Brüggem in advertising materials, brochures, etc. and display items manufactured for Brüggem in its business premises or elsewhere with the prior written consent of Brüggem
- 16.7 Insofar as Brüggem or the supplier process personal data for the fulfillment or initiation of the contractual relationship, the data protection regulations are complied with. Brüggem uses third-party services and systems (e.g. Microsoft) for the storage and processing of data, which - on the basis of corresponding agreements on commissioned data processing - provide for storage in the European Union.

§ 17 Services within the plants

- 17.1 For work performed within Brügger's plants, the supplier is obligated to provide Brügger with the names of his workers and to provide evidence of their qualification and instruction in accordance with the legal and other requirements, in particular Brügger's work guidelines for external companies, before commencing work. Brügger will make the relevant work guidelines available to the supplier separately in advance.
- 17.2 The supplier's employees are obliged to treat Brügger's facilities with care and energy efficiency and to maintain safety, cleanliness and order.

§ 18 Place of jurisdiction, applicable law, miscellaneous

- 18.1 The exclusive place of jurisdiction for all present and future claims arising from the business relationship is the registered office of Brügger in 23568 Lübeck. This place of jurisdiction also applies to disputes concerning the origin and effectiveness of the contractual relationship. Brügger is at liberty to file suit at the registered office of the supplier.
- 18.2 The contractual relationship is subject to the law of the Federal Republic of Germany to the exclusion of all references to other legal systems and international treaties. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- 18.3 If parts of the above TEB are invalid or waived, the validity of the remaining provisions shall remain unaffected. The contracting parties are obliged to replace ineffective provisions with provisions that are legally effective and correspond to the ineffective provisions as far as possible in terms of meaning, purpose and economic result.