

# **SINC NOVATION NETTETAL GMBH**

## **General terms and conditions of purchase**

### **I. Scope**

1. The following terms and conditions (hereinafter "GTCP") apply to all contractual relationships under which a third party ("Supplier") has an obligation to supply products (hereinafter "Goods") to SINC NOVATION Nettetal GmbH ("Company"), regardless of whether the Supplier manufactures the Goods itself or purchases them from other providers. These GTCP, as amended from time to time, also apply to all future legal transactions within the ongoing business relationship with the Supplier, insofar as these are legal transactions of a related nature, in particular all supplementary or amendment agreements and follow-up orders relating to the individual contractual relationship. The current version of these GTCP can be found at [www.sincnovation.com/pdf/AEB\\_SINC\\_NOVATION\\_Nettetal.pdf](http://www.sincnovation.com/pdf/AEB_SINC_NOVATION_Nettetal.pdf).
2. These GTCP also apply to the contract initiation relationship if the Company has notified the Supplier accordingly in writing as part of the contract initiation relationship, unless the Supplier has objected to these GTCP in writing without delay after first being contacted in writing by the Company.
3. Individual contractual agreements between the Company and the Supplier take precedence over these GTCP in any case. In the absence of proof to the contrary, a written contract or written confirmation by the Company will be deemed authoritative regarding the content of such agreements.
4. The Supplier's general terms and conditions are hereby expressly rejected. These only apply if and to the extent that the Company has expressly confirmed them in writing. A rendering of a performance owed or other performance of the contract is not to be regarded as such confirmation under any circumstances. Insofar as the Company has agreed that the Supplier's general terms and conditions apply, the Company's GTCP continue to apply in parallel to the extent that they are not in contradiction to the Supplier's general terms and conditions.
5. The Company's GTCP apply exclusively to business transactions with traders within the meaning of S. 14 BGB (German Civil Code), legal entities under public law and/or special funds under public law.
6. References to the applicability of statutory provisions are for clarification purposes only. Statutory provisions therefore apply even without such clarification, unless they are directly amended or expressly excluded by these GTCP.

### **II. Definitions**

1. Contributions within the meaning of these GTCP are all information and materials which must be provided to the Supplier by the Company or by a third party on the Company's behalf for use, processing or treatment for the purpose of producing the product.
2. Force majeure within the meaning of these GTCP is any event beyond the control of a party which by its nature was or is unforeseeable and/or unavoidable, including, but not limited to, storms, floods, riots, fires, crop failures, sabotage, civil war, intervention by civil or military authorities, war and acts



of war and other armed acts, terrorism, power and energy failures, and pandemic events. Similarly, supply chain disruptions resulting directly or indirectly from such events are also considered force majeure events.

3. Written form within the meaning of these GTCP includes written and text form (e.g. letter, email, fax). Statutory formal requirements and requirements regarding further evidence, in particular in the event of doubts concerning the legitimacy of a person making a declaration, remain unaffected by the above.

### **III. Conclusion of the contract**

1. The Company's inquiries regarding the Supplier's products are non-binding as a matter of principle. Any order by the Company only constitutes a binding offer once it has been submitted in writing or once a verbal order has been confirmed in writing.
2. The Supplier must provide its offers and cost estimates free of charge, unless agreed otherwise in writing.
3. The Supplier may accept the Company's offer without reservation within a period of two weeks from receipt of the offer by providing its written confirmation or by dispatching the Goods.
4. Once this period has expired, the Company is no longer bound by its offer. Any delayed acceptance will be deemed a new offer by the Supplier and will need to be accepted by the Company.

### **IV. Delivery, transfer of risk and default**

1. Delivery must be made to the place specified in the order. If no place of delivery is specified and nothing else has been agreed, delivery must be made to the Company's registered office. The respective place of delivery is also the place of performance and place of any subsequent performance. The agreed fixed price is inclusive of the costs of transport and packaging.
2. Once the product has been accepted at the delivery address specified in the order, the risk of accidental loss and accidental deterioration passes to the Company. If delivery includes installation or assembly, and in case of other performance-related services to be rendered, this risk passes to the Company upon successful acceptance.
3. The delivery date specified by the Company is binding. The delivery must comply with the offer in terms of execution, scope and part consignments and must be performed on time. The Goods must be received at the place of delivery on the agreed delivery date. Upon the Company's request, the Supplier must notify the Company without delay that the Goods have been dispatched.
4. The Supplier must notify the Company in writing without delay if circumstances arise or become apparent which prevent the agreed delivery time from being complied with. The Supplier's obligation to deliver on time remains unaffected by the above.
5. If the Supplier fails to render its performance or fails to render it within the agreed delivery time, or if the Supplier is in default, the Company's rights – in particular the right to withdraw from the contract and the right to assert damages – are subject to applicable statutory regulations. If the Supplier defaults, the Company may, in addition to further legal claims, claim liquidated damages for the damage it has suffered as a consequence of default in the amount of 0.3% of the net order value for



each full business day, up to a maximum of 5% of the net order value. The Company's statutory rights remain unaffected by the above provision. The Company reserves the right to prove that higher damage was incurred. Responsibility for demonstrating that no damage or only significantly less damage was incurred rests with the Supplier.

6. Acceptance of delayed delivery does not constitute a waiver of claims for damages.
7. Partial deliveries, excess and short deliveries are not permitted unless otherwise agreed. The Company reserves the right to accept these deliveries in individual cases.
8. Each delivery must be accompanied by a delivery note stating the date (of issue and dispatch), the content of the delivery (item number, quantity and weight), and the Company's order ID (date and number). The Company accepts no responsibility for any delays in processing and payment in cases where no delivery note or an incomplete delivery note is provided.
9. The Supplier may not have the performance owed by it or essential parts thereof rendered by third parties without the Company's prior written consent. The Company will only refuse consent for good cause, which must be stated.

## **V. Prices and invoicing**

1. Invoices must be submitted separately for each order following complete delivery, completion of services and, in the case of performance-related services, following acceptance, indicating the respective order number and order date. Invoices without order number and order date will be deemed incorrect.
2. The price specified in the order is binding. All prices are inclusive of statutory value-added tax, unless value-added tax is shown separately. Unless otherwise agreed in individual cases, prices are inclusive of all performances and ancillary performances of the Supplier, as well as all ancillary costs within the meaning of S. 448 BGB (German Civil Code) (e.g. proper packaging, transport costs including any transport and liability insurance).
3. The agreed price is due for payment within 30 calendar days from complete delivery and performance (including any agreed acceptance), and receipt of a correct invoice. If the Company makes payment within 14 calendar days, the Supplier will grant the Company a 3% discount on the net invoice amount. If payment is made by bank transfer, it is deemed to have been made in time if the Company's bank receives the transfer request before the payment deadline.
4. The Company has the right of set-off and retention, as well as the defense of non-performance of contract to the extent provided by law. In particular, the Company may withhold payments due as long as it still has claims based on incomplete or defective performance against the Supplier.
5. If the Company pays a Supplier invoice without asserting defenses or making a declaration regarding the payment, this is not to be regarded as an acknowledgement confirming the debt for the respective claim.

## **VI. Assignment, set-off, right to refuse performance and right of retention of/by the Company**

1. The Supplier may not assign its claims arising from any part of the business relationship without the Company's prior written consent, unless the Supplier has an overriding interest in being able to assign the claim, in which case the Supplier must notify the Company of the assignment in writing without delay. If, in the event that consent is refused, the assignment of a monetary claim is nevertheless effective in accordance with S. 354a HGB (German Commercial Code), the assignor must reimburse the Company for any additional costs incurred in connection with the assignment.
2. The Supplier may only assert set-off, a right of retention or a right to refuse performance if its counterclaim is undisputed or has been finally determined by a court of law.
3. In addition, the assertion of the right of retention or the right to refuse performance requires the counterclaim to be based on the same contractual relationship.

## **VII. Reservation of title**

1. Contributions remain the Company's property and must be stored, designated, and managed separately free of charge as long as they are not processed, and they must be adequately insured against loss and destruction. They may only be used for the purposes of the respective contract.
2. Any processing, mixing or combination (further processing) of contributed items by the Supplier is done for the Company. This also applies to further processing of the delivered goods by the Company, such that the Company will be deemed to be the manufacturer and acquires ownership of the product upon further processing in accordance with statutory regulations at the latest.
3. Ownership of the product must be unconditionally transferred to the Company without regard to the payment of the price. If, however, the Company accepts an offer by the Supplier for transfer of title conditional on payment of the purchase price in individual cases, the Supplier's retention of title expires upon payment of the purchase price for the delivered goods at the latest. The Company may resell the product in the ordinary course of business, even before payment of the purchase price, subject to advance assignment of the resulting claim (alternatively, subject to simple reservation of title extended to the resale). As a result, all other forms of retention of title are excluded in any event, in particular extended retention of title, passed-on retention of title and retention of title extended to further processing.

## **VIII. Notice of defects**

The commercial obligation to inspect the goods and give notice of defects is subject to relevant statutory regulations (S. 377 HGB (German Commercial Code)) and the following proviso:

1. The Company's obligation to inspect is limited to defects which are evident in the course of external inspection conducted as part of the Company's incoming goods inspection, including inspection of delivery documents (e.g. transport damage, incorrect and short delivery) or which are recognizable in the course of the Company's quality control sampling procedures.
2. There is no obligation to inspect insofar as acceptance has been agreed. In all other respects, 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. The Company's obligation to give notice of defects discovered at a later time remains unaffected by the above. Notwithstanding the Company's obligation to inspect, the Company's notification of defect is deemed to have been given without delay and in good time if it is given to the Supplier within five working days of delivery in the case of obvious defects and within five working days of discovery in the case of hidden defects.

## **IX. Rights in case of defects**

1. The Company's rights in the event of material defects and defects of title and in the event of other breaches of obligation by the Supplier are subject to statutory regulations, unless provided otherwise in these GTCP.
2. In particular, the Supplier is liable for ensuring that the Goods have the agreed quality at the time of transfer of risk. In addition to express contractual agreements, product descriptions incorporated into the subject matter of the contract by reference or designation in our order are also deemed to constitute agreements on quality. This applies irrespective of whether a product description originates from the Company, the Supplier or a third party manufacturing the products.
3. The Supplier's goods and services must comply with the state of the art of science and technology, relevant legal regulations, and the regulations and guidelines of authorities, professional associations and trade associations, and be in accordance with current environmental regulations. If the supply concerns machines, devices or plants, these must comply with the requirements of the special safety regulations for machines and plants in force at the time the contract is performed, and they must have a CE marking.
4. The Supplier remains responsible for its performance, and for its performance being free from defects even if the Company has signed, approved, stamped or marked with a "Noted" note or similar the plans, drawings, calculations and other execution documents submitted by the Supplier.
5. The Company is entitled, at its option, to demand subsequent performance by way of rectification, substitute delivery or new production in accordance with statutory regulations. The Supplier must reimburse the Company for any damage incurred by the Company as well as for the full costs and expenses of subsequent performance, and the costs of troubleshooting, retrofitting, removal and installation, transport, travel, labor and materials. If subsequent performance is not provided within a reasonable period of time or has failed, or if setting a deadline was not required, the Company may withdraw from the contract or reduce the purchase price and claim damages or reimbursement of futile expenses in accordance with statutory regulations. The Supplier bears the costs and risk of returning defective deliveries. If the Company is entitled to warranty claims which go beyond its statutory rights in the event of defects, these remain unaffected by the above.
6. If the Company elects subsequent delivery and it is impossible or unreasonable for the Supplier to deliver a product of identical construction in accordance with statutory regulations, its obligation to provide subsequent performance also extends to successor models of equal or higher quality or models of other series at the Company's request. If the value of the product to be subsequently delivered is 110% or more of the value of the original product, the Supplier is only required to provide the subsequent delivery upon payment of the difference in value between the two products by the Company.



7. If the Supplier fails to fulfill its obligation to provide subsequent performance within a reasonable period set by the Company, without being entitled to refuse subsequent performance, the Company may also carry out the necessary measures itself or have them carried out by a third party at the Supplier's cost and risk. If, due to particular urgency (e.g. to avoid interruption of production) and/or the expectation of an unreasonably large damage relative to relevant warranty obligations, it is not possible to notify the Supplier of a defect and associated impending damage, and to set the Supplier a deadline, even a short one, for remedying the defect, the Company may carry out the relevant remedial measure immediately and without prior consultation.
8. The general limitation period for claims for defects is 3 years from the transfer of risk. Insofar as S. 438 BGB (German Civil Code) provides for a longer limitation period, S. 438 BGB remains unaffected by the above. If acceptance has been agreed, the limitation period commences upon acceptance. The 3-year limitation period applies accordingly to claims arising from defects of title. Claims arising from defects of title further do not become time-barred in any case as long as the respective third party is still able to assert its rights against the Company, in particular if such claims have not yet become time-barred.
9. The statute of limitations for the Company's claims for defects is suspended for the period during which the products do not remain on the Company's premises while defects are being rectified.

## **X. Infringements of industrial property rights**

The Supplier is liable for ensuring that no third-party property rights are infringed in connection with its delivery and the contractual use of the products by the Company. This liability does not include infringement of third-party property rights caused by the use of contributed parts. If, following the delivery and contractual use of the products, a third party asserts a claim against the Company due to an infringement of third-party property rights for which the Supplier is responsible, the Supplier must indemnify the Company against such claims and reimburse the Company for all necessary expenses incurred in connection with such claims and, at the Company's option, acquire the necessary licenses from the owner of the property rights or take back the delivered products.

## **XI. Force Majeure**

1. If force majeure prevents the Company from fulfilling its contractual obligations, in particular from accepting the products, the Company is released from its obligation to perform for the duration of the impediment as well as a reasonable subsequent start-up period, without being obligated to compensate the Supplier for damages.
2. The Company may withdraw from the contract in whole or in part if such an impediment persists for more than four months and the Company's interest in contract performance ceases as a result of the impediment. At the Supplier's request, the Company will, after the expiry of this period, declare whether it will exercise its right of withdrawal or accept the product within a reasonable period of time.
3. If the Supplier is prevented from fulfilling its contractual obligations, in particular from producing the products, due to force majeure or if the Supplier is concerned that it will not be able to fulfill its contractual obligations in a timely manner due to force majeure, the Supplier must notify the



Company accordingly in writing without delay. In this case, the Company may withdraw from the contract in whole or in part if the Company's interest in contract performance ceases as a result of the impediment. In particular, the Company's interest will be deemed to have ceased if the Supplier has declared its withdrawal from the contract vis-à-vis the Company as a result of the fact that it is no longer able to deliver on time.

## **XII. Long-term contracts**

Contracts for regularly recurring performances for which no separate notice period and no specific end date have been agreed may only be terminated with three months' notice to the end of a calendar month.

## **XIII. Product liability**

1. The Supplier must indemnify the Company against all claims of third parties arising from domestic or foreign product liability which are attributable to a defect in the product supplied by the Supplier, insofar as the Supplier is responsible for the product defect and the damage incurred in accordance with the principles of product liability law.
2. Within the scope of its indemnification obligations, the Supplier must also reimburse the Company for expenses which are incurred due to or in connection with third-party claims and/or precautionary measures implemented by the Company to avert a claim arising from product liability, in particular a warning, replacement or recall campaign. The Company will inform the Supplier of the content and scope of the measures to be implemented, insofar as this is possible and reasonable, and will give the Supplier the opportunity to comment. Likewise, the Supplier must bear the costs of bringing or defending a legal action the Company incurs in this context.
3. The Supplier must take out insurance against all risks arising from product liability in the amount of at least EUR 3,000,000.00 per case of liability and must, upon request, provide relevant evidence to the Company by submitting a valid insurance certificate.

## **XIV. Confidentiality**

1. The Supplier must, for a period of 3 years beyond the duration of the business relationship, keep secret all information that becomes accessible to the Supplier via the Company and that is designated as confidential or evidently constitutes business or trade secrets in view of other circumstances, and the Supplier must neither record nor disclose nor utilize such information, unless this is required for the purpose of delivery to the Company or customer.
2. If special precautions are required, a separate, detailed non-disclosure agreement may be made in addition to these GTCP. If a non-disclosure agreement is made, it takes priority over these GTCP, which will apply additionally.

## **XV. Supplier's conduct**

1. The Supplier undertakes to comply with the laws of the relevant jurisdiction(s), to not tolerate any form of corruption or bribery, and to observe the fundamental rights of employees and the prohibition of child and forced labor. In the remainder it will also accept responsibility for the health



and safety of its employees in the workplace, ensure fair pay and fair working hours, observe environmental protection laws, and promote and demand compliance with these principles among/from its suppliers/subcontractors to the best of its ability.

2. The Supplier undertakes to indemnify the Company against any claims and demands asserted against the Company by third parties in connection with any breaches of the German Minimum Wage Act (MiLoG) by the Supplier. This does not apply, however, if the Company or its vicarious agents have themselves demonstrably breached the provisions of the German Minimum Wage Act with intent or gross negligence in the given case. Third-party claims and receivables within the meaning of the above provision include, in particular, claims by internal employees, claims by employees of subcontractors and contracted labor hire companies, and claims by government authorities, including any fines which may have been legally imposed.
3. The Supplier must, upon request, provide the Company with the names of its suppliers/subcontractors used in performing the contract, provided that the Company has a legitimate interest. A legitimate interest will be deemed to exist in particular if third-party claims are asserted against the Company, the basis of which is attributable to such suppliers/subcontractors.

## **XVI. Trade practice**

The trade practices of the printing industry apply to commercial transactions, unless the order specifies otherwise.

## **XVII. Final provisions**

1. If the Supplier is a merchant, a legal entity under public law or a special fund under public law, the place of jurisdiction is, at the Company's discretion, the Company's registered office or Frankfurt/Main. However, the Company may also sue the Supplier at the Supplier's general place of jurisdiction as well as at any other admissible place of jurisdiction. This agreement is exclusively subject to German law, to the exclusion of conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
2. Any amendments, supplements and subsidiary agreements to contractual agreements must be made in writing to be effective.
3. The use of the Company's name, its offers, its goods and services, etc. for advertising purposes without the Company's prior written consent is prohibited.
4. The Company's contract language and language for correspondence is German.
5. These GTCP are valid as of the date below and in the version presented here. In the event that individual provisions in these GTCP are invalid, this does not affect the validity of the remaining provisions. The contracting parties instead undertake to agree on an alternative provision which ensures that the commercial meaning and purpose intended by the invalid or void provision is largely preserved. If any provisions in these GTCP or in the contracts made by the contracting parties are legally inadmissible, the legally admissible provisions that come closest to the inadmissible provisions apply even without the contracting parties reaching further agreements.



This is an English translation of the German Terms and Conditions. In the event of any discrepancy or inconsistency between this English translation and the German version of these Terms and Conditions, the German version prevails.

Nettetal, May 2023

