

1. Scope and form

- 1.1. These General Terms and Conditions of Purchase (GTCP) shall apply exclusively to all orders placed by KSG GmbH, unless expressly agreed otherwise. They constitute an integral part of every order and shall remain legally effective for subsequent orders, even without specific confirmation, unless otherwise agreed. Any varying terms and conditions of the Supplier are hereby rejected. Deviations from these Terms and Conditions of Purchase shall only be effective if they have been confirmed in writing by the Purchaser. Our General Terms and Conditions of Purchase (GTCP) shall also apply if we accept deliveries of goods and services from the Supplier or pay for them in the knowledge that the Supplier's terms and conditions are contrary to or deviate from our own.
- 1.2. Our contractual partners are hereinafter referred to as "Supplier", irrespective of their designation in the legal sense arising from the respective contract. Our company is hereinafter referred to as "Purchaser".
- 1.3. These GTCPs only apply in business transactions with entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB), legal persons under public law and special funds under public law.
- 1.4. These GTCPs shall apply in particular to contracts for the sale and/or delivery of movable items ("Goods"), irrespective of whether the Supplier is the actual manufacturer of the Goods or purchases them from sub-suppliers (Sections 433 and 650 of the German Civil Code).
- 1.5. Individual agreements made with the Purchaser in individual cases (e. g. framework supply agreements and quality assurance agreements) and information in our order shall in any case take precedence over these GTCP.
- 1.6. Legally relevant declarations and notifications from the Supplier with regard to the contract (e. g. setting of deadlines, reminders, withdrawal) must be given in writing (e. g. letter, e-mail, fax). Legal formal requirements and further proof, in particular in the case of doubts about the legitimacy of the declarant, remain unaffected. Written form within the meaning of these GTCPs includes written and text form (e. g. letter, e-mail, fax).
- 1.7. References to the applicability of statutory provisions shall only have a clarifying significance. Even without such clarification, the statutory provisions shall therefore apply unless they are specifically amended or expressly excluded in these GTCPs.

2. Conclusion of contract

- 2.1. Our order shall be deemed binding at the earliest upon written submission or confirmation. It is incumbent on the Supplier to inform us of obvious errors (e. g. spelling and/or arithmetic) and incompleteness of the order (including the order documents) for the purpose of correction and/or completion before acceptance; otherwise the contract shall be deemed not to have been concluded.
- 2.2. The Supplier is obliged to confirm our order in writing within a period of 48 hours or, alternatively, to execute it without reservation by dispatching the goods (acceptance). After expiry of this period, we shall no longer be bound by our order.
- 2.3. Deviations from the order must be clearly indicated by the Supplier in writing as part of the order confirmation. These are only valid if they have been confirmed in writing by the Purchaser.
- 2.4. The Purchaser is entitled to withdraw from an individual purchase contract for standard products (not customer-specific products) up to two weeks before the delivery date.

3. Performance, delivery, dispatch and packaging

- 3.1. Without our prior written consent, the Supplier shall not be entitled to subcontract performance to third parties. The Supplier shall bear the procurement risk for the products and services supplied, unless otherwise agreed in individual cases (e. g. limitation to own stocks).
- 3.2. Times for receipt of goods, irrespective of the place of performance: Monday - Thursday 07:00 - 15:00
Friday 07:00 - 12:00
Outside these times, only by prior arrangement.
- 3.3. Delivery shall be made within Germany "free domicile" to the address specified in the order. If the place of destination is not specified and no alternative arrangement has been agreed, the delivery shall be made to our registered office at D-09390 Gornsdorf. The respective place of destination shall also be the place of performance for the delivery and any subsequent performance (debt to be discharged at creditor's domicile).
- 3.4. Each delivery shall be accompanied by packing slip(s) or delivery note(s) stating the date (issue and dispatch), contents of the delivery (article identification number and quantity) as well as our order number (KSG identification number) and delivery note number. If packing slip(s) or delivery note(s) are missing or incomplete, we shall not be responsible for any delays in processing and payment resulting therefrom.
- 3.5. Delivery and packaging costs shall be borne by the Supplier. The Supplier shall ensure that the transport packaging is taken away and recycled free of charge.

4. Transfer of risk

The risk of accidental loss and/or deterioration of the item for delivery shall pass to us upon handover at the place of performance. Insofar as acceptance has been agreed, this shall be decisive for the transfer of risk. In all other respects, the statutory provisions of the law on contracts for work and services shall also apply accordingly in the event of acceptance. The same shall apply to handover/acceptance if we are in default of acceptance.

5. Delivery period, delay in delivery

- 5.1. The delivery time stated by us in the order is binding. The Supplier is obliged to inform us immediately in writing if, for whatever reason, it is likely that the agreed delivery times may be missed.
- 5.2. If performance is not forthcoming from the Supplier within the agreed delivery time or if the Supplier is in default, our rights – in particular to rescission and damages – shall be determined in accordance with the statutory provisions. The provisions in Clause 5.3. remain unaffected.

- 5.3. If the Supplier is in default, we may – in addition to further statutory claims – demand lump-sum compensation for inconvenience caused by default in the amount of 1 % of the net price per full calendar week, but in total not more than 5 % of the net price of goods delivered late. We reserve the right to prove that a higher loss has been incurred. The Supplier has the right to prove that no loss or inconvenience at all or only a significantly lower level of loss or inconvenience has been incurred.
- 5.4. The Purchaser will only accept delivery of items in the quantities or numbers ordered. Deliveries of excess or short quantities are only permissible with the prior consent of the Purchaser. The completeness of the delivery is only established when the delivery documents agreed in advance are made available.
- 5.5. In the event of delivery at a time that has not been agreed, including too early, the Purchaser reserves the right either to refuse acceptance of the goods or to return them at the Supplier's expense. If the goods are accepted and no return delivery is made, the goods shall be stored at the Purchaser's premises at the Supplier's expense and risk. In the event of premature delivery, the Purchaser reserves the right not to make payment until the agreed due date.
- 5.6. The Supplier shall be liable for all losses/inconveniences incurred by the Purchaser due to improper submission of the Supplier's declaration.

6. Force majeure

- 6.1. The Purchaser shall be released from obligation to accept manufactured goods or services in due time if one of the following events occurs, e. g. natural disasters, riots, government decree, epidemics and pandemics – insofar as a risk level of at least "mässig" (= moderate) is declared by the Robert Koch Institute, Nordufer 20, DE 13353 Berlin, – as well as in the event of transport disruptions, strikes, lock-outs or other unforeseeable, extraordinary circumstances for which the Purchaser cannot be held responsible.
- 6.2. In the event of disruptive circumstances as described in Clause 6.1, the parties are obliged to provide each other with all reasonably necessary information without delay and to temporarily adjust their mutual obligations to the changed circumstances, in particular to the potential effect on market requirements, in a spirit of good faith. The Purchaser shall be entitled to withdraw from the contract in whole or in part if the type of events referred to in Clause 6.1 occur, provided that such events are not of insignificant duration.
- 6.3. For the duration of the delay on the part of the Supplier with regard to Clause 6.1, the Purchaser shall be entitled to procure the goods from other sources or to have them manufactured and to reduce the delivery quantities specified in orders or delivery schedules without any obligation towards the Supplier.

7. Prices, terms of payment, invoices

- 7.1. The prices stipulated in the contract/order are to be understood as fixed prices. Unless otherwise agreed, they include delivery "free domicile" as well as packaging, freight and insurance. The statutory value added tax is to be shown separately.
- 7.2. Unless otherwise agreed in individual cases, the prices shall include all services and ancillary services of the Supplier/Seller (e. g. assembly, installation) as well as all ancillary costs (e. g. suitable packaging, freight costs including any transport and liability insurance).
- 7.3. The agreed price is due for payment within 90 calendar days of complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If we make payment within 14 calendar days, the Supplier shall grant us a 3 % discount on the net amount of the invoice; if we make payment within 30 calendar days, we shall be granted a 2 % discount on the net amount of the invoice. If the Supplier has undertaken to provide material tests, inspection results, quality reports or other documents, the completeness of the delivery and service also presupposes the receipt of these documents.
- 7.4. In the case of bank transfers, payment shall be deemed to have been made on time if our instruction to transfer the funds is received by our bank before the expiry of the payment deadline; we shall not be responsible for delays caused by the banking system.
- 7.5. We do not owe nor will we pay any interest on maturities. The statutory provisions shall apply to default in payment.
- 7.6. We shall be entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent provided by law. In particular, we are entitled to withhold due payments as long as we have outstanding claims against the Supplier for incomplete or defective performance.
- 7.7. The Supplier shall only have a right of set-off or retention on the basis of counterclaims that have been legally established or are undisputed.
- 7.8. Payments do not constitute recognition of the delivery or of performance as being in accordance with the terms of the contract.
- 7.9. The assignment of existing claims against us is excluded without our prior written consent, which may not be unreasonably withheld.
- 7.10. Invoices shall state the order codes as well as our article identification number for each individual item. Furthermore, invoices must contain all information required by law as well as identical details to those appearing on the delivery note and contractually agreed prices and total price. If these details are missing or if the details on the invoice deviate from those on the order, we will return the invoice to the Supplier for clarification and the payment deadline will be postponed. Invoice copies are to be marked as duplicates and enclosed/attached.

8. Retention rights and confidentiality

8.1. We reserve the property rights and copyrights to illustrations, plans, drawings, calculations, work instructions, product descriptions and other documents. Such documents are to be used exclusively for contractual performance and may only be made available within the Supplier's own company to those persons who are necessarily involved in the fulfilment of the contract. These persons are likewise obliged to maintain confidentiality, and the documents must be returned to us after completion of the contract. The documents must be kept secure from third parties, even after termination of the contract. Products manufactured on the basis of documents drafted by us, such as drawings, models and the like, or on the basis of our confidential information or with our tools or replicas of our tools, may neither be used by the Supplier nor offered or supplied to third parties.

The obligation to maintain confidentiality shall only expire if and to the extent that the knowledge contained in the documents provided has entered the public domain. Special non-disclosure agreements and statutory regulations on the protection of secrets shall remain unaffected.

8.2. The above provision shall likewise apply to substances and materials (e. g. software, finished and semi-finished products) as well as to tools, templates, samples and other items which we provide to the Supplier for production purposes. Such items shall – as long as they are not in use or in the process of manufacture – be stored separately at the Supplier's expense and insured to an appropriate extent against destruction and loss.

8.3. Any processing, mixing or combination (i.e. further processing) by the Supplier of items provided by us shall be undertaken on our behalf. The same shall apply in the event of further processing of the delivered goods by us, so that we shall be deemed to be the manufacturer and shall acquire ownership of the product, at the latest upon any further processing taking place in accordance with the statutory provisions.

8.4. The transfer of ownership of the goods to us shall be unconditional and without regard to the payment of the purchase price. If, however, in individual cases we accept an offer of the Supplier to transfer ownership conditional on the payment of the purchase price, the Supplier's retention of title shall expire at the latest upon payment of the purchase price for the goods delivered. We shall remain authorised to resell the goods in the ordinary course of business even before payment of the purchase price with advance assignment of the claim arising therefrom (alternatively, the simple reservation of title extended to the resale shall apply). This excludes all other forms of retention of title, in particular the extended retention of title, the transferred retention of title and the retention of title extended to further processing.

9. Liability for defects, reimbursement of expenses

9.1. The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly or defective assembly/operating instructions) and in the event of other breaches of duty by the Supplier and, solely for our benefit, the following amendments and clarifications.

9.2. In accordance with statutory provisions, the Supplier shall be liable in particular for ensuring that the goods have the agreed quality or the agreed specifications at the time of the transfer of risk to us. In any case, those product descriptions which – in particular by designation or reference in our order – are the subject matter of the respective contract or have been included in the contract in the same way as these GTCs shall be deemed to constitute an agreement on the quality of those goods. The Supplier warrants that the delivered goods are compliant with the latest state of the art as well as applicable legal provisions and regulations.

9.3. We are not obliged to inspect the goods or to make special enquiries about any defects upon conclusion of the contract. Partially deviating from Section 442 para 1.2 of the German Civil Code, we are therefore also entitled, without limitation, to claims for defects if the defect remained unknown to us at the time of conclusion of the contract as a result of gross negligence.

9.4. The statutory provisions (Sections 377, 378 of the German Commercial Code) shall apply to the commercial duty to inspect and give notice of defects with the following proviso: Our duty to inspect shall be limited to defects which become apparent during our incoming goods inspection by means of external examination including the delivery documents (e. g. damage in transit, incorrect and short delivery), or which are identifiable during our quality control by means of random sampling. If acceptance has been agreed, there shall be 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. Our obligation to give notice of defects discovered later remains unaffected. Notwithstanding our duty to examine, our notice of defects shall be deemed to have been given without undue delay and in good time if it is sent within 10 working days of discovery or, in the case of obvious defects, of delivery.

9.5. Subsequent performance shall also include the removal of the defective goods and their re-installation if the goods have been installed in another item or attached to another item in accordance with their type and intended use; our statutory claim to compensation for appropriate expenses shall remain unaffected. The Supplier shall bear the expenses necessary for the purpose of inspection and subsequent performance, even if it turns out that there was actually no defect. Our liability for damages in the event of an unjustified request to remedy a defect shall remain unaffected; however, we shall only be liable in this respect if we recognised or were grossly negligent in not recognising that there was no defect.

9.6. Without prejudice to our statutory rights and the provisions in Clause 9.5, the following shall apply: If the Supplier fails to fulfil their obligation of subsequent performance – at our discretion by remedying the defect (subsequent improvement) or by delivering an item free of defects (replacement delivery) – within a reasonable period of time set by us, we may remedy the defect ourselves and demand reimbursement of the expenses required for this from the Supplier or a corresponding advance payment. If the supplementary performance by the Supplier has failed or is not reasonably acceptable for us (e. g. due to exceptional urgency, risk to operational safety or imminent risk of disproportionate damage), no deadline need be set; we shall inform the Supplier of such circumstances without delay, if possible beforehand.

9.7. In the event of a material defect or defect of title, we shall otherwise be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.

9.8. The Supplier's warranty obligation also extends to any parts that come from a sub-supplier. The Supplier is not entitled to assign their claims against a sub-supplier or to make their own warranty obligation dependent on whether they can enforce their claims against the sub-supplier.

10. Supplier recourse

10.1. We shall be entitled to our statutory rights of reimbursement of expenses and recourse within a supply chain (recourse pursuant to Sections 478, 445a, 445b or Sections 445c, 327 Abs. 5, 327u BGB) in addition to claims for defects without limitation. In particular, we are entitled to demand from the Supplier the exact type of subsequent performance (repair or replacement delivery) that we owe our customer in the individual case; in the case of goods with digital elements or other digital content, this also applies with regard to the provision of necessary updates. Our statutory right of choice (Section 439 para 1 BGB) shall not be limited hereby.

10.2. Before we acknowledge or fulfill a claim for defects asserted by our customer (including reimbursement of expenses pursuant to Section 445a para 1 and Section 439 paras 2, 3 and 6 sentence 2, 475 para 4 of the BGB), we shall notify the Supplier and request a written statement, briefly explaining the facts of the case. If a substantiated statement is not made within a reasonable period of time and no amicable solution is reached, the claim for defects issued by us shall be deemed to be owed to our customer. In this case, the Supplier shall be obliged to prove the contrary.

10.3. Our claims arising from Supplier recourse shall also apply if the defective goods have been further processed by us, our customer or a third party, e. g. by incorporation, attachment or installation, connected to another product or processed in any other way.

11. Producer liability, indemnification, liability insurance cover

11.1. If the Supplier is responsible for a product defect, they shall indemnify us against claims of third parties to the extent that the cause lies within their sphere of control and organisation and that they themselves are liable in relation to third parties.

11.2. Within the scope of the Supplier's obligation to indemnify and pursuant to Sections 683 and 670 of the German Civil Code (BGB), the Supplier shall reimburse expenses arising from or in connection with a third-party claim, including recall actions carried out by us. We shall inform the Supplier of the content and scope of recall activities – insofar as this is possible and reasonable – and give the Supplier the opportunity to comment. Any further legal claims shall remain unaffected.

11.3. The Supplier shall take out and maintain product liability insurance with a lump sum coverage of at least €10,000,000 (in words, ten million euros) per personal injury or material loss.

12. Rights of withdrawal and termination

12.1. In addition to the statutory rights of withdrawal, the Purchaser shall be entitled to withdraw from the contract if a significant deterioration in the financial circumstances of the Supplier occurs or is likely to occur and the fulfilment of a delivery obligation towards us is jeopardised as a result.

12.2. The Purchaser is further entitled to withdraw from the contract if

- the Supplier becomes insolvent or suspends payments,
- the Supplier is threatened with insolvency pursuant to Section 18 of the German Insolvency Law (InsO) or over-indebtedness of the supplier becomes apparent,
- the Supplier files for the opening of insolvency proceedings or comparable proceedings for the settlement of debts in respect of the assets or the business of the Supplier, or
- if the opening of insolvency proceedings against the assets of the Supplier is rejected for lack of assets to cover costs.

12.3. In the event of a continuing obligation, Clauses 12.1 and 12.2 shall apply mutatis mutandis with the proviso that the right of withdrawal shall be replaced by an extraordinary right of termination without notice.

12.4. If the Supplier has delivered only partial performance, the Purchaser shall only be entitled to rescind the entire contract if the Purchaser has no interest in the partial performance.

12.5. If the Purchaser withdraws from or terminates the contract on the basis of the aforementioned contractual rights of withdrawal or termination, the Supplier shall compensate us for any loss or damages incurred as a result, unless the Supplier is not responsible for the Purchaser having recourse to their rights of withdrawal or termination.

12.6. Statutory rights and claims shall not be restricted by the provisions contained in this Clause 12.

13. Conduct of work

Suppliers who carry out work on the factory premises in fulfilment of the contract shall comply with the applicable laws and regulations as well as the operational regulations of the Purchaser. The Supplier shall be obliged to appoint a person responsible for the performance of the order who shall ensure the duty of supervision and control. The responsible person designated by the Supplier is obliged to agree on procedure with the coordinator nominated by the Purchaser before carrying out the work, to take suitable protective measures and to inform us and affected third parties about mutual hazards. Suppliers are responsible for the instruction and safety of their own employees and any subcontractors they bring in, as well as for safeguarding others against any potential source of danger. The Supplier may deploy only sufficiently qualified personnel and use operationally safe work equipment on our factory premises. Accidents that occur on our factory premises must be reported to the Purchaser immediately.

14. Limitation period

- 14.1. The mutual claims of the contracting parties shall become statute-barred in accordance with the statutory provisions, unless otherwise stipulated below.
- 14.2. In deviation from Section 438 para 1.3 of the German Civil Code, the general limitation period for claims for defects shall be three years from the transfer of risk. Insofar as acceptance has been agreed, the limitation period shall commence with acceptance. The three-year limitation period shall also apply accordingly to claims arising from defects of title, whereby the statutory limitation period regarding third party claims for return based upon a property right (Section 438 para 1.1 BGB), and mandatory statutory warranty periods for defects remain unaffected; claims arising from defects of title shall furthermore not become time-barred in any case as long as the third party can still assert the right against us – in particular in the absence of a statute of limitations.
- 14.3. The limitation periods of the law on sales, including the above extension, shall apply – to the extent provided by law – to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (Sections 195, 199 BGB) shall apply, unless application thereof results in a limitation period of greater duration.

15. Industrial property rights

- 15.1. The Supplier warrants that the use or resale of the goods ordered by us is permissible without infringing third-party industrial property rights and copyrights (patents, utility models, trademarks, licence rights etc).
- 15.2. If a claim is made against the Purchaser by a third party due to an infringement of an industrial property right, the Supplier shall be obliged to indemnify the Purchaser against such claims upon first written request, including the court costs, lawyers' fees and expenses in any legal dispute and all other expenses which the Purchaser may incur from or in connection with the claim by a third party. In the event of claims for damages by the third party, the Supplier shall have the right to prove that they were not at fault for the infringement of the third party's rights.
- 15.3. If the Supplier has industrial property rights which relate to the application of the products delivered and created for a specific use, the Supplier shall grant us a right of joint use to their industrial property rights free of charge to the extent of the products delivered.

16. Export controls and customs

- 16.1. The Supplier shall comply with the applicable requirements of national and international export, customs and foreign trade law for all goods to be delivered and services to be rendered and shall obtain the necessary export licences, unless the applicable export, customs and foreign trade law places the obligation to apply for the export licences on the Purchaser or a third party.
- 16.2. The Supplier is obliged to inform the Purchaser in the Supplier's business documents of any licensing requirements for (re-)exports of their goods in accordance with German, European, US export and customs regulations as well as the export and customs regulations of the country of origin for their goods.
- 16.3. At the request of the Purchaser, the Supplier is obliged to inform the Purchaser in writing of all foreign trade data relating to the Supplier's goods and their components and to inform the Purchaser in writing without delay (prior to delivery of corresponding goods affected by this) of all changes to the above data.
- 16.4. Notwithstanding any other rights and without liability towards the Supplier, the Purchaser shall be entitled to withdraw from or to terminate the relevant contract without notice if the Supplier repeatedly fails to comply with the obligations under Clauses 16.1, 16.2 and 16.3.

17. Compliance and corporate social responsibility

- 17.1. The Supplier undertakes to comply with all relevant laws and legal provisions, in particular anti-corruption law, anti-trust law, social insurance law, criminal law and the law on administrative offences, during and in connection with the provision of goods and services for the Purchaser. This applies not only to the relevant laws and regulations in the country of the Supplier's registered office and in the country in which the deliveries or services are provided, but also – insofar as applicable – to international and German regulations.
- 17.2. The Supplier undertakes to comply with the Purchaser's Quality Assurance Agreement (QAA), in particular with regard to Section 6 (Environmental Protection and Occupational Safety) and Section 7 (Code of Ethics), which can be viewed on the Purchaser's website in German and English at www.ksg-pcb.com and is also available for download there.
- 17.3. Serious violations of the law by the Supplier and violations of the provisions contained in Clauses 17.1. and 17.2. shall entitle the Purchaser to terminate the contract without notice or to withdraw from the contract and to assert claims for damages as well as to terminate the business relationship and all contractual negotiations.

18. Place of jurisdiction, applicable law

- 18.1. These GTCs and the contractual relationship between us and the Supplier shall be governed by German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) and to the exclusion of rules governing conflict of law. The application of the UNCITRAL Convention on Contracts for the International Sale of Goods is also excluded.
- 18.2. If the supplier 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 from the contractual relationship shall be our registered office in DE 09390 Gornsdorf. The same shall apply if the supplier is an entrepreneur within the meaning of Section 14 of the German Civil Code (BGB). However, we are also entitled in all cases to bring an action at the place of performance of the delivery obligation in accordance with these GTCs or a prior individual agreement or at the general place of jurisdiction of the seller. Overriding statutory provisions, in particular on exclusive jurisdiction, shall remain unaffected.
- 18.3. Customary clauses shall be interpreted in accordance with the INCOTERMS of the International Chamber of Commerce (ICC) in Paris which are valid at the time.