

General Terms and Conditions of Purchase (AEB) of Grass GmbH Germany and Austria

1. Scope

- 1.1. These General Terms and Conditions of Purchase („AEB“) apply to all business relationships between Grass GmbH Germany or Austria („Customer“) and its business partners or suppliers („Supplier“) with respect to the delivery of movable items („goods“ or „products“) and/or services without regard to whether the Supplier provides this service themselves or purchases it from another supplier, as long as the Supplier is an entrepreneur, a legal entity under public law or a separate asset under public law.
- 1.2. Any deviating, conflicting or supplementary general terms and conditions of the Supplier shall only become part of the contract if and to the extent that the Customer has expressly agreed to their validity in writing. Performance of contractual obligations does not imply agreement.

2. Conclusion of contract

- 2.1. Offers, drafts, samples and designs from the Supplier shall be free of charge for the Customer. At the request of the Customer, they must be taken back by the Supplier immediately and at their own expense. Any offer made by the Supplier shall be binding for 8 weeks following receipt.
- 2.2. Any orders made by the Customer shall be in written form. Orders not made in this form must be confirmed in written form to be valid.
- 2.3. The Supplier shall immediately notify the Customer of any obvious errors (e.g. spelling and calculation errors) and/or incomplete orders or missing order documents to allow them to be corrected or completed.
- 2.4. The Supplier shall be obliged to confirm in writing any order made by the Customer within one week. A delay in confirmation shall be considered a new offer to the Customer and the contract shall be deemed not to have been fulfilled.

3. Delivery time, delay and contractual penalty

- 3.1. The agreed delivery date shall be binding for the Supplier. If it becomes clear to the Supplier that the delivery date cannot be upheld, the Supplier shall inform the Customer of this immediately and in writing, giving the reason for and the expected duration of the delay.
- 3.2. Partial deliveries and deliveries in advance of the delivery date may be made subject to approval from the Customer. Should the Customer agree to an earlier delivery, the agreed delivery date shall still be considered the actual delivery date. If this agreement is not granted, no transfer of risk shall take place and the Customer shall be entitled to make a claim for damages against the Supplier.
- 3.3. Should the Supplier not perform their service by the agreed delivery date or at all, the Supplier shall be considered in default without the need for a separate reminder. Where the Supplier is in default, the Customer shall be entitled, following an appropriate grace period, to withdraw from the contract.
- 3.4. If the Supplier is in default, the Customer may demand a contractual penalty of no more than 0.5 % of the total order value for each calendar day commenced and no more than 5 % of the total order value overall. Any damages demonstrably caused to the Customer above this value must be compensated additionally.
- 3.5. The unconditional acceptance of a late delivery or service shall not constitute a waiver of the Customer's claims for compensation due to the late delivery or service, including the contractual penalty.
- 3.6. In recognised cases of force majeure, e.g. strikes, lock-outs, operational limitations or other similar cases which delay the delivery or service for longer than 14 days, the Customer reserves the right - without prejudice to the Customer's other rights - to withdraw from the order in full or in part or to demand performance at a later date, without the Supplier incurring any special legal claims such as compensation for damages.
- 3.7. The Customer shall be obliged to carry out an inspection of incoming goods. The legal regulations apply to the commercial duty to inspect and give notice of defects, whereby the Customer's obligation to inspect is limited to defects that are clearly visible during the Customer's incoming goods inspection, which shall include external inspection, including of the delivery documents, and during the client's quality control using a sampling procedure (e.g. transport damage, incorrect delivery or short delivery). If acceptance is agreed upon, there shall be no duty of inspection. The duty of notification concerning defects discovered at a later stage shall remain unaffected. In all cases, any complaint by the Customer (defect notification) shall be considered immediate and in good time if put to the Supplier within 10 calendar days.

4. Prices, payment conditions and invoicing

- 4.1. Unless expressly otherwise agreed, prices shall include all fees and additional charges including transport costs. Agreed prices or prices forming the basis of this contract shall be considered fixed. Price adjustment clauses shall only be valid if specifically negotiated.
- 4.2. Prices shall be exclusive of statutory value added tax (VAT).

- 4.3. Unless expressly otherwise agreed in writing, no additional fee may be charged for any offer made by the supplier, regardless of any preparatory work required. No reimbursement will be made for visits, preparation or planning. Unless otherwise agreed, no charge may be made for samples. Packaging may only be invoiced for if this is specified separately in the order.
- 4.4. Invoices shall be sent following orderly delivery and under separate cover to e-billing@grass.eu if the contractual partner is Grass GmbH in Austria or to rechnungseingang@grass.eu if the contractual partner is Grass GmbH in Germany, specifying the order number, item number and Customer's article number and adhering to all applicable statutory regulations regarding formal VAT requirements.

- 4.5. Unless expressly otherwise agreed, payment terms shall be 90 days from receipt of invoice. If payment is made within 25 days, the Customer shall be entitled to a cash discount of 3 %. If payment of the invoice is agreed to take place in instalments, the cash discount shall only apply to instalments which are paid on time. For the purposes of payment punctuality, the time at which the payment order is made by the Customer shall be decisive.

- 4.6. The Customer shall be entitled to repay payments due as long as they still have claims against the Supplier for incomplete or defective services, including such from other business relationships. The Supplier shall only have rights of offsetting or retention due to legally determined or undisputed counter-claims.

5. Transport and transfer of risk

- 5.1. For all goods ordered by the Customer, delivery shall be made as per Incoterms DDP and DAP during normal business hours to the location specified in the order. If no delivery location has been agreed, delivery must be made to the place of business of the Customer's branch that placed the order.
- 5.2. For each delivery, the Supplier shall provide a delivery note upon which the order number, item number, article number, delivery note number, gross weight and net weight are listed individually. If no delivery note is present, the Customer shall be entitled to refuse delivery of goods without delay and to store the goods temporarily with the risks and costs for this being borne by the Supplier.

6. Retention of title, provisions and tool costs

- 6.1. The transfer of title must be effected unconditionally and without regard to payment of the price upon handover of the goods to the Customer. If retention of title has been agreed, this must be by separate written agreement. If, in an individual case, the Customer accepts an offer from the Supplier where transfer of title is dependent upon payment of the purchase price, retention of title by the Supplier shall cease no later than payment of the purchase price for the supplied goods. Any extended or expanded retention of title of the Supplier shall be excluded.
- 6.2. If it has been agreed that costs for tooling, lithotypes, plates or similar shall be borne by the Customer, these shall become the property of the Customer immediately after payment of the full or, where agreed, part costs. Unless otherwise agreed, these shall remain on loan to the Supplier until completion of the contract. This also applies if the costs have been calculated into the price of the ordered articles by agreement.
- 6.3. The Supplier shall, in accordance with paragraph 2 and at the Supplier's expense, mark the items as property of the Customer, maintain them in usable condition and return them, unprompted, following completion of the contract. The Supplier may only use such items for third-party orders with written permission from the Customer. The Supplier shall grant the Customer access to such items by prior arrangement and during normal business hours.
- 6.4. The Supplier shall perform any processing, mixing or connection of the items provided by the Customer on the Customer's behalf. It is agreed that the Customer shall become co-owner of the products manufactured using the items provided based on the value of the supplies proportionate to the value of the overall product, which will be kept by the Supplier for the Customer until the time of delivery.

7. Export and customs

- 7.1. The Supplier must specify and continuously update the origin of goods and the customs tariff number for every article delivered. The Supplier shall be responsible for the accuracy of these details.
- 7.2. The Customer must be notified immediately and in writing of any changes to the description of goods, production location, origin of goods or customs tariff number. As such changes generally indicate changes to the warranted characteristics of the article being supplied, such articles may only be supplied with written approval from the Customer. Approval may be refused without a reason being given. If approval is not given, no articles whose origin of goods or customs tariff number differs may be delivered to the Customer.
- 7.3. The Supplier shall be obliged to observe and adhere to applicable national export control regulations (including sanctions lists, embargo lists, dual-use goods lists etc.) at the point of departure and - independently - those of the USA and to inform the Customer in writing of such. If applicable, the Supplier

must mark the article accordingly and unambiguously in its offers, order confirmations and all accompanying documents with an ECCN (export control classification number).

8. Information obligations and subcontractors

- 8.1. The Supplier must inform the Customer at an early stage by means of written notification of any changes in manufacturing processes, changes in materials or components for products or services, relocations of production sites, as well as changes in processes or equipment for testing the parts or other quality assurance measures. The Customer shall be entitled to check to the extent necessary whether the changes could have a detrimental effect on the product. On request, the Supplier must provide the necessary documents and facilitate audits to the required extent.
- 8.2. The use of subcontractors, freelancers, sub-suppliers and other third parties (collectively „agents“) who are not employees of the Supplier in connection with the provision of services owed to the Customer is only permitted with the prior written approval of the Customer.

9. Quality assurance, social responsibility and the environment

- 9.1. The products delivered must comply with the generally recognised rules of technology (technical standards, regulations, procedures, conditions etc.) in terms of manufacture, quality and usability. The contractor must carry out state-of-the-art quality assurance that is suitable in type and scope to ensure the agreed level of quality and must provide proof of this to the Customer upon request.
- 9.2. All products, substances and manufactured items delivered by the Supplier must comply with the currently applicable versions of the European Union RoHS directive (2011/65/EU), the REACH directive (1907/2006) and the CLP directive (1272/2008) to limit the use of hazardous substances. All supplied products must also comply with currently applicable CE provisions.
- 9.3. The Supplier must observe the sustainability guidelines and environmental aspects at <https://www.grass.eu/de/ueber-grass/nachhaltigkeit/>.
- 9.4. The Supplier shall be obliged to adhere to internationally applicable minimum standards in terms of labour laws, in particular all conventions of the International Labour Organisation („ILO“) with regard to employee rights, working time and occupational safety, as well as all applicable legal provisions and those of relevant authorities. The Grass Supplier Code of Conduct applies as published at <https://www.grass.eu/de/kontakt/lieferantenportal/>.
- 9.5. The Supplier commits to adhere to the applicable legal regulations regarding environmental protection and shall not participate actively or passively, directly or indirectly in any form of bribery or corruption, violation of human rights or discrimination against their employees, forced labour or child labour.

10. Guarantee and claims for damages

- 10.1. Legal regulations apply regarding material defects or defects of title with the following modifications.
- 10.2. In all cases, product descriptions that have become the subject of the contract through specification or reference in the Customer's order shall be deemed to be an agreement on the quality. No distinction is made in this respect as to whether the product description originates from the Customer or the Supplier.
- 10.3. The guarantee period shall begin on the arrival of goods at the point of delivery.
- 10.4. If improvements are required by the Supplier, the Customer shall be entitled to withhold the due purchase price until the Supplier's obligations have been met satisfactorily.
- 10.5. If the Supplier makes a replacement delivery, the guarantee period shall restart from the beginning upon receipt of that delivery.
- 10.6. If the Supplier does not provide a supplementary or replacement delivery following a request by the Customer and an appropriate grace period, the Customer shall be entitled to remedy the defect themselves and to demand payment of the necessary expenses from the Supplier in advance. This shall not affect the right of the Supplier to object on the basis of infeasibility or disproportion.
- 10.7. The Customer shall only be liable to the Supplier for such damages on the grounds of wilful intent and gross negligence. The Supplier shall only be excluded from liability by separate written agreement.

11. Product liability

- 11.1. If a claim is made against the Customer on the grounds of product liability, the Supplier shall be obliged to indemnify the Customer against such claims, insofar as damages were caused by a defect in the goods delivered by the Supplier. In such cases, the Supplier shall bear all costs and expenses including costs resulting from any legal action or replacements. However, in cases of liability based on fault, this shall apply only if the Supplier is at fault. If the cause of the damages is the responsibility of the Supplier, the Supplier must prove that they are not at fault.
- 11.2. Prior to any recall, the Customer shall notify the Supplier, allow the Supplier

sufficient scope for involvement and discuss with the Supplier efficient implementation; this shall not be required if notification or involvement of the Supplier is not possible due to particular urgency.

- 11.3. The Supplier undertakes to take out appropriate, extended business and product liability insurance that is valid worldwide (including the USA and Canada) and whose coverage includes product financial losses and recall costs, from an insurer approved in the EU. The Supplier shall provide the Customer with proof of such insurance on request.

12. Cancellation

The Customer shall be entitled to withdraw from the contract at any time and without giving a reason. The liability of the Customer shall be limited in amount to those damages actually incurred, up to a maximum of 10 % of the offer price.

13. Copyright, reference and confidentiality

- 13.1. All business or technical information made available to the Supplier by the Customer must, as long as and insofar as it is not demonstrably publicly known, be kept confidential from third parties and may be made available only to persons in the Supplier's own business who require access to such for the purposes of delivery to the Customer and who are also bound to a suitable level of confidentiality.
- 13.2. The Contractor reserves the right of ownership and copyright over all documents and tools provided to the Customer for the execution of an order, such as drawings, illustrations, drafts, calculations, descriptions, plans, models, samples, technical specifications, data carriers, other documents, tools, parts and materials. Documents and tools of this nature shall be used exclusively for contractual performance and shall be returned to the Customer in full (including any copies or records made) or destroyed in full at the request of the Customer after execution of the contract. Products manufactured in accordance with documents and tools from the Customer may not be used by the Supplier themselves, or offered or delivered to third parties.
- 13.3. Technical documentation, documents, drawings, diagrams, schematics, graphs, photographs, layouts, templates and other documentation - whether on data carriers, in printed form or as material for printing preparation or printing - as well as all samples, tools, materials and other operating resources shall become the property of the Customer upon their provision. Furthermore, insofar as legally permissible, the Customer shall obtain all rights of ownership, use and exploitation over any of the above-mentioned products protected by copyright. No separate remuneration shall be owed by the Customer for the transfer of the above rights; this shall be included in full in the prices specified in the orders.
- 13.4. Without prior express written consent, the Supplier shall be prohibited from making reference to the Customer or the business relationship between the Supplier and the Customer in any form.
- 13.5. All work and information resulting from the initiation and processing of orders must be treated confidentially as a business secret. The Supplier shall be liable for any damages resulting from the violation of this obligation. Reference may not be made to the existence of business relationships with the Customer without written approval from the Customer.
- 13.6. If the names and/or addresses of clients of the Customer become known to the Supplier in connection with the order, the Supplier must keep these confidential and must not use these for the Supplier's own business purposes.
- 13.7. The awarded order may not be transferred to a subcontractor, in whole or in part, without our written approval. The obligations must be transferred to the subcontractor in their entirety.

14. Choice of law, jurisdiction, severability

- 14.1. All agreements, subsequent alterations, extensions, secondary agreements, notices etc. must be made in writing with the original signature or secure electronic signature in order to be valid.
- 14.2. If the Customer is Grass GmbH with headquarters in Germany, the law of the Federal Republic of Germany shall apply to the AEB and all legal relationships between the Customer and the Supplier. If the Customer is Grass GmbH with headquarters in Austria, Austrian substantive law shall apply. The United Nations Convention on Contracts for the International Sale of Goods shall not apply in any case.
- 14.3. Unless expressly otherwise agreed, all disputes arising from this contract shall be decided by the court at the location with material jurisdiction over the Customer. However, the Customer shall also be entitled to start legal proceedings at the general place of jurisdiction for the Supplier.
- 14.4. Should individual provisions of this AEB be ineffective, this shall not have any impact on the effectiveness of the remaining provisions. In such cases, however, the contractual parties shall make every effort to find a replacement provision which comes as close as possible to the ineffective provision in economic outcome.