

GENERAL TERMS & CONDITIONS OF PURCHASE of IPROTEC GmbH, Dr.-Schott-Str. 35, D-94227 Zwiesel

1. Scope

- 1.1 These terms and conditions of purchase apply to all deliveries and services from suppliers and contractors ("Suppliers") to IPROTEC GmbH ("IPROTEC") exclusively, regardless whether the Supplier manufactures or purchases the goods or services supplied.
- 1.2 These terms and conditions of purchase apply exclusively to businesses (§ 14 BGB – German Civil Code), legal entities under public law and special funds under public law.
- 1.3 Supplier terms and conditions conflicting with the terms hereof shall only be valid if and to the extent IPROTEC has expressly agreed thereto in writing. This shall also apply where IPROTEC accepts goods or services ordered or delivered, even if aware of those terms and conditions without having countermanded the same, or even if IPROTEC has made reference to correspondence containing or referring to Supplier terms and conditions which conflict therewith.
- 1.4 These terms and conditions of purchase also apply to all future contracts with the Supplier, even where IPROTEC does not refer thereto at that time.

2. Written Form

- 2.1 Notices or statements of legal relevance delivered by the Supplier to IPROTEC subsequent to conclusion of an agreement or relating to a contract or service, must be in writing in order to be effective.
- 2.2 Agreement or confirmation, in writing, from IPROTEC shall prevail in relation to the content and interpretation of contracts, amendments or supplements, as well as specific arrangements.
- 2.3 Requests for quotes from IPROTEC are non-binding and do not qualify as solicitation of an offer.

3. Orders and contracts

- 3.1 Suppliers are required to confirm orders from IPROTEC in writing without delay and by no later than three (3) working days or to deliver them without reservation, for example by sending the goods.
- 3.2 Where a Supplier does not acknowledge a purchase order immediately, or at least within five (5) working days, in full and without reservation, IPROTEC shall be entitled to withdraw from the contract.
- 3.3 Where changes or revisions by IPROTEC are requested subsequent to confirmation of a purchase order Supplier, resulting or potentially resulting in additional costs or delays in delivery, IPROTEC must be promptly notified thereof in writing and a revised quote shall be submitted without delay. All verbal agreements must be confirmed in writing. No additional costs or changes to delivery times will be accepted without written confirmation. Suppliers should always quote the item, purchase order and project numbers in any correspondence.

4. Delivery Time and Delays

- 4.1 Dates agreed for delivery and provision of services are binding. Where delay or late delivery might be expected or has already occurred, Suppliers must notify IPROTEC in writing without delay.

- 4.2 Non-compliance by a Supplier with an agreed delivery or service date is automatically constituting a default without further notice. Where no delivery date has been agreed, but the date by which the delivery or service was to be provided at the latest can be determined under contract, the Supplier will be in default once this date has lapsed. In the event of foregoing sentences one and two, IPROTEC shall be entitled to exercise its statutory rights (including compensation and withdrawal) in case of default of the debtor.
- 4.3 In the event of delay, Suppliers are liable under contract to pay IPROTEC a lump-sum penalty of 1% of the purchase order value per working day commenced limited to 10% of the relevant purchase order value. IPROTEC reserves the right to claim further damages, in which case the penalty under the contract will be set off against any evidenced exceeding damages. Suppliers retain the right to provide evidence that no or lower damages were incurred.
- 4.4 Where a Supplier does not deliver the goods or provides the service within a reasonable time as allowed by IPROTEC by way of concession, IPROTEC may order the goods or services from a third part and demand reimbursement from the Supplier for any necessary or required expenses and additional costs incurred thereby. IPROTEC's entitlement to damages in lieu of performance remains unaffected.

5. Pricing

- 5.1 Prices quoted in purchase orders are binding. All prices include applicable statutory VAT, except where this the same is itemized separately. Except as expressly agreed otherwise, the price shall include all ancillary services (such as assembly, fitting or installation) as well as any associated costs (packaging, transport, transport or liability insurance, customs duties, taxes and fees or other charges). Suppliers will accept the return of packaging materials at IPROTEC's request and at their own expense.
- 5.2 Except where expressly agreed otherwise, IPROTEC may pay the purchase price within 14 days at a discount of 3% or within 30 (thirty) days net, from delivery of the goods or acceptance of the services and receipt of a valid invoice (Clause 5.3).
- 5.3 Suppliers should quote the purchase order number and date on all order acknowledgements, delivery and dispatch confirmations, delivery notes and invoices and in all correspondence. IPROTEC shall be entitled to reject the invoice without such information. Regardless thereof, payment terms under Clause 5.2 are extended to reflect the time when processing the invoice is delayed due to missing information.
- 5.4 IPROTEC does not pay interest for late payment. IPROTEC shall only be in default of payment where payment remains outstanding following a written reminder from a Supplier. Default interest is calculated at three (3) percentage points above the relevant base rate.
- 5.5 IPROTEC may exercise a right of set-off or of lien, as well as the defense of non-fulfilment of contract, to the extent permitted under applicable laws. IPROTEC may also withhold payments where queries remain outstanding against short or incorrect deliveries.
- 5.6 Suppliers have a right of set-off or retention of title only in the event of undisputed or legally established claims.

6. Execution and delivery

- 6.1 Suppliers may only use subcontractors with prior written consent from IPROTEC. The only exception is where a Supplier is purely a distributor and IPROTEC is aware thereof. In any case, Suppliers remain responsible for discharging all obligations towards IPROTEC arising from and in connection with the delivery or service provision.

- 6.2 Partial deliveries are subject to IPROTEC's prior written consent. Suppliers are responsible for procurement risk relating to deliveries and service provision, except where expressly agreed otherwise in specific cases.
- 6.3 For machinery or technical devices, a technical description and instructions for use must be provided free of charge. For software, delivery shall only be considered as complete once full documentation (system and user-related) has been handed over. Software developed specifically for IPROTEC is also to be supplied in source code format.

7. Statutory requirements

- 7.1 Suppliers must comply with all regulations applicable under public law for all deliveries and service provisions. Certificates, instructions for disposal, test certificates and validation reports are to be supplied free of charge as appropriate.
- 7.2 Suppliers are individually responsible for complying with accident prevention regulations when providing their services. Safety equipment required and any manufacturer instructions, are to be provided free of charge.

8. Delivery and transfer of risk

- 8.1 Delivery to the location specified in the purchase order shall be effected at Supplier's risk and expense (duty to deliver). Where no place of delivery is specified or other arrangements are agreed, delivery shall be effected DDP (Incoterms 2020) to D-94227 Zwiesel, Dr.-Schott-Strasse 35. The relevant point of delivery is also the place of performance for the delivery and any subsequent performance.
- 8.2 To the extent acceptance is required, risk is considered to have transferred upon acceptance. Legal provisions applying to contracts for work and services also apply to acceptance as appropriate. Use by IPROTEC does not in itself constitute acceptance and is not replacing acceptance of such works or services. This also applies to transfer of risk or acceptance even where IPROTEC is in default of acceptance.
- 8.3 Statutory provisions apply in the event of default in acceptance. Irrespective thereof, Suppliers must explicitly offer their services to IPROTEC even if a time determinable or determined by calendar is agreed requiring IPROTEC's input or assistance. Where IPROTEC is in default with acceptance, the Supplier may request replacement of additional costs incurred in accordance with statutory provisions (§ 304 BGB). Where delivery or service provision affects fungible goods, Suppliers shall only be entitled to extended rights where IPROTEC's involvement was essential and failure is attributable to IPROTEC.

9. Inspection and reporting obligations, inspection costs

- 9.1 Statutory provisions (§§ 377, 381 HGB – German Commercial Code) apply to commercial inspection and reporting obligations as follows: IPROTEC's duty of inspection is limited to nonconformities which can be identified visually during incoming goods inspection, including delivery paperwork (e.g. transport damage, incorrect and short delivery) or which can be identified by quality control using random sampling techniques. Where acceptance has been agreed, no inspection obligations arise. This is also subject to inspection being reasonable in the normal course of business, considered on a case by case basis. IPROTEC's duty to report nonconformities identified at a later stage remains unaffected. Notwithstanding inspection obligations, reports (notification of nonconformities) are deemed as prompt and timely, if submitted within 14 (fourteen) days of discovery, or delivery in the case of obvious defects.
- 9.2 Without prejudice to other claims, IPROTEC is entitled to carry out, at Supplier's expense, full inspection on deliveries if the acceptable quality level agreed between the parties is not met.

10. Liability for defects

- 10.1 Statutory provisions apply in the event of nonconforming deliveries (including incorrect or short delivery, incorrect assembly or software installation, as well as missing or inadequate assembly, operating or user instructions) or other failures of duty by a supplier, except as specified below.
- 10.2 In particular, the Supplier is responsible to ensure that goods are of the agreed quality upon transfer of risk to IPROTEC. Any product specifications referred to in relevant contracts, or which were included in a contract in the same way as these terms and conditions of purchase, are considered a quality agreement. This is regardless of whether the product specification originated with IPROTEC, the Supplier or the manufacturer.
- 10.3 In case of procurement contracts for hardware, Suppliers are, in particular, responsible to ensure the performance as agreed or required under the contract (including capacity, speed), suitability as agreed or required for specific, planned software installations, and conditions of use, as well as compatibility with the existing IT infrastructure as agreed or required under the contract.
- 10.4 Notwithstanding § 442 (1)(2) BGB, IPROTEC remains entitled to unrestricted rights with respect to nonconformity where IPROTEC was unaware of the nonconformity as a result of gross negligence at the time the contract was concluded. Furthermore, IPROTEC does not surrender its rights in relation to nonconformity by accepting or approving samples supplied.
- 10.5 Corrective action shall also include, in IPROTEC's discretion at its request, removal of nonconforming product and its reinstallation, where the product has been incorporated into another item or attached to another item in line with its type and intended use. Where procurement contracts involve hardware, this also includes uninstalling and reinstalling software, where the software was installed in line with the type and intended use of the hardware.
- 10.6 The right to reimbursement of costs under § 439 (3) BGB applies not only in case of installation in or attachment to other items but also in other cases where the product is reasonably expected to undergo modification. Where procurement contracts involve hardware, the installation of software as intended is also specifically included. The right to reimbursement of costs only lapses if there is direct knowledge of the nonconformity at the time of installation, attachment or other modification (such as software installation).
- 10.7 Where one type of corrective action proves impossible or can be refused on grounds of excessive cost, a Supplier may not refuse the alternative type of corrective action on the grounds of excessive cost. However, should the costs of the alternative type of corrective action also prove to be excessive, a Supplier may limit the reimbursement of costs to a reasonable level. IPROTEC may insist on an advance payment from a Supplier to cover costs incurred by IPROTEC in the course of any corrective action and which are liable for reimbursement from the supplier.
- 10.8 Suppliers are responsible for any unavoidable costs incurred in connection with inspection and corrective action even if it turns out that there was in fact no nonconformity. IPROTEC's liability for damages in the event of unreasonable requests to rectify nonconformities is not affected; in this respect, however, IPROTEC is only liable where IPROTEC was aware or negligently failed to recognize that there was no defect.
- 10.9 Where a Supplier does not meet a requirement for corrective action, either by eliminating the nonconformity (repair) or by delivering a good in the agreed quality (replacement delivery) at IPROTEC's discretion, within a reasonable time scale set by IPROTEC, IPROTEC may rectify the nonconformity itself and demand reimbursement of costs incurred therefor from the Supplier or an advance payment. If the Supplier's corrective action is inadequate or is unacceptable to IPROTEC (based on particular urgency, threat to operational safety or

imminent risk of disproportionate damage), no time scale is required; IPROTEC will notify the Supplier without delay, to the extent possible in advance, thereof.

- 10.10 Furthermore, in the event of a defective quality or title, IPROTEC is either entitled to a reduction in the purchase price or to withdraw from the contract in line with statutory provisions. IPROTEC shall also be entitled to compensation for damages and costs in line with statutory provisions.
- 10.11 Nonconformity claims must be received within three (3) years of delivery. Where acceptance is required or agreed, the term commences upon acceptance. The three-year limit also applies to claims arising from defective title while the statutory time limit for assignment of third party rights to recovery remains unaffected; in addition, claims based on defective title do not expire whilst the third party can still assert this right against IPROTEC – especially where no statutory time limit applies.
- 10.12 Where a Supplier receives written notice of nonconformity from IPROTEC, the time limit for claims under warranty is suspended. For replacements and rectification of nonconformities, the limitation period for claims for replacement and reworked parts re-commences as of the date thereof, except where IPROTEC must, based on Supplier`s conduct, assume that Supplier was not obliged to take action, but did so purely as a gesture of goodwill or on similar grounds.

11. Indemnity for defective quality or deficiency in title

- 11.1 Suppliers guarantee that all services provided in connection with execution of the contract – including their use – within the European Union and Switzerland or in other countries where the Supplier manufactures or subcontracts manufacture, do not violate any third-party industrial property rights.
- 11.2. Upon first request, Suppliers must indemnify IPROTEC promptly against any third-party claims which arise in connection with infringement of industrial property rights as per Clause 11.1 and must reimburse IPROTEC for all unavoidable expenses in connection therewith.
- 11.3. Where inventions, improvements or other industrial property rights emerge in connection with performance of the delivery or service on the basis of information, documents or samples belonging to or provided by IPROTEC, the Supplier irrevocably grants IPROTEC, free of charge at the time of invention and by no later than upon acquisition, unlimited as to time, place and content, freely transferable, sub-licensable, non-exclusive right to use and exploit such inventions, improvements, findings and any corresponding industrial property rights. Suppliers are required to notify IPROTEC immediately with regard to such inventions, improvements, findings and property rights.
- 11.4. Where a Supplier owns property rights to the goods or services delivered or to parts thereof, or to relevant production methods, IPROTEC must be informed thereof on request, stating the registration or application number.
- 11.5. If - especially for procurement contracts involving hardware - operating instructions, user manuals or additional documentation are provided for download from a portal by the Supplier or manufacturer, Suppliers must ensure that IPROTEC may permanently download the stored data to other data devices as well as print out the file contents. IPROTEC shall be permitted to make any number of copies for the use of the hardware in the context of its business activities, or to have them made.
- 11.6. Suppliers undertakes and agrees that they hold the necessary rights to allow IPROTEC hardware, including pre-installed operating system software and standard drivers, to be used in accordance with the contract. Suppliers are obliged to grant IPROTEC irrevocable, content-unrestricted, transferable, sub-licensable, non-exclusive rights of use to the relevant operating system software and standard drivers. Should claims be made against IPROTEC relating to infringement of third party rights, Suppliers must indemnify IPROTEC against all

claims in connection therewith promptly upon request and to reimburse IPROTEC for all unavoidable expenses.

12. Producer liability

- 12.1 Suppliers subject to product liability shall indemnify IPROTEC against claims from third parties insofar as the cause is within their control and organization and they are subject to third-party public liability.
- 12.2 in connection with such indemnity undertaking, Suppliers shall reimburse costs arising from or in connection with claims from third parties, including recalls organized by IPROTEC. IPROTEC will, where possible and reasonable, inform Suppliers about the background and extent of recalls, and grant the opportunity to comment. Other legal claims remain unaffected.
- 12.3 Suppliers shall undertake to take out and maintain adequate and appropriate public and product liability insurance at their cost and expense. Proof of insurance must be provided to IPROTEC immediately upon request by submitting a copy of the relevant policy.

13. Technical documentation, tools, process equipment

- 13.1 IPROTEC reserves all industrial and intellectual property rights to technical documentation, tools, plans, drawings, calculations and work instructions. Such documentation and materials are to be used exclusively for performance of the contract and, upon completion of the contract, must be returned to IPROTEC automatically, including any copies. Suppliers surrender all rights of retention to which they may be entitled in this respect. Suppliers are not entitled to reproduce or copy such documentation or materials, except where this is absolutely unavoidable for the performance of the contract.
- 13.2 Where Suppliers produce documentation or other materials for IPROTEC, as defined in Clause 12.1, either partly or wholly at IPROTEC's expense, Clause 12.1 shall apply accordingly. In such event, IPROTEC acquires joint ownership of the materials. Suppliers shall store such materials, free of charge, for and on behalf of IPROTEC. IPROTEC can, however, acquire the rights in relation to these materials at any time by reimbursing any costs not yet written off, and demand return of the material from the Supplier.

14. Provision of materials

- 14.1 Materials provided by IPROTEC for the manufacture of goods remains the property of IPROTEC and shall be stored by Suppliers free of charge and with due commercial care separately from other Supplier or third party property and to be identified as the property of IPROTEC. Suppliers shall insure such materials against loss or damage. Clause 14.2, last sentence, applies accordingly. They may only be used as appropriate to perform the contract with IPROTEC.
- 14.2 Where a Supplier processes material supplied by IPROTEC, transforms it, mixes it or combines it with other material, this is performed exclusively on behalf of IPROTEC. IPROTEC becomes the immediate owner of the new product created as a result. Where the material supplied constitutes merely a part of the new product, IPROTEC acquires co-ownership of the new product in proportion to the value of the material provided by IPROTEC.

15. Supplier recourse

- 15.1 IPROTEC is entitled to statutory rights of recourse as part of a supply chain (supplier recourse under §§ 445a, 445b, 478 BGB) in addition to rights relating to nonconformities. In particular, IPROTEC is entitled to insist on exactly the same type of corrective action (repair or replacement) from a Supplier that IPROTEC must offer its customers in individual cases. This is not affecting IPROTEC's statutory option right (§ 439 (1) BGB).

- 15.2 Before IPROTEC accepts or satisfies a complaint asserted by its customer (including reimbursement of costs in accordance with §§ 445a (1), 439 (2) and (3) BGB), IPROTEC will notify the Supplier by excursively outlining facts and solicit a written statement from Supplier. Where no satisfactory explanation is received within a reasonable time and where no amicable solution has been found, the warranty rights originally guaranteed by IPROTEC are deemed to apply to the customer. Onus of proof is on the Supplier.
- 15.3 IPROTEC's rights under Supplier recourse remain unaffected even if faulty goods were further processed by IPROTEC or a third party, such as through installation in another product.

16. Confidentiality and retention of title

- 16.1 IPROTEC reserves all industrial and intellectual property rights to illustrations, plans, drawings, calculations, commissioning instructions, product specifications and other documentation. Such documentation is to be used exclusively in performance of the contract and, upon completion of the contract must be returned to IPROTEC. Documentation is to be kept confidential vis à vis third parties, even following completion of the contract. The duty of confidentiality expires only when and to the extent that the information contained in the documentation has become generally known.
- 16.2 The above provision applies as appropriate to substances and materials (such as software, finished and semi-finished goods) as well as to tools, templates, samples and other materials issued by IPROTEC to a Supplier as part of production. Such materials - where not processed - are to be stored separately at the supplier's expense and insured appropriately against damages and loss.
- 16.3 Processing, mixing or combining (collectively referred to as "further processing") of customer-supplied product is carried out by the Supplier on behalf of IPROTEC. The same applies to further processing by IPROTEC of delivered goods, such that IPROTEC is deemed the manufacturer and acquires ownership of the product no later than at the time of further processing in accordance with statutory provisions.

17. Retention of title

Title in the goods shall transfer to IPROTEC unconditionally and regardless of the payment of the sums due. If, by way of exception, IPROTEC accepts a proposal from a Supplier to effect transfer of ownership conditional subject to payment, Supplier's retention of title expires no later than upon payment of amounts due for the goods delivered. IPROTEC is entitled to resell the goods in the ordinary course of business, with *a priori* assignment of the resulting rights even where the sums due have not yet been paid (alternatively, application of the simple retention of title is extended to the resale). In any event, all other forms of retention of title shall be invalid, in particular the extended, forwarded and prolonged retention of title for further processing.

18. Place of performance, place of jurisdiction, applicable law

- 18.1 Place of jurisdiction is the Munich I District Court. However, IPROTEC shall also be entitled to bring proceedings at the Supplier's normal place of business.
- 18.2 The law of the Federal Republic of Germany applies to these terms and conditions of purchase with explicit exclusion of international private law. The UN Convention on the International Sale of Goods (CISG) is not applicable.

As of 28 December 2021.