

General Terms and Conditions

1. Scope of Application

- 1.1. The following General Terms and Conditions (“**GTC**”) of HSP Schwahlen GmbH (hereinafter referred to as “**HSP**”) apply exclusively to entrepreneurs within the meaning of Section 14 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) (“**Contractual Partners**”) for the sale of HSP products (“**Products**”) and for Product-related services offered by HSP (“**Services**”). Offers, order confirmations, deliveries, and Services provided by HSP are based exclusively on these GTC.
- 1.2. Any deviating, contradictory, or supplementary terms and conditions of the Contractual Partner shall only become part of the contract if and to the extent that HSP has expressly agreed to their application. If HSP refers to a letter that contains or refers to the terms and conditions of the Contractual Partner or a third party, this does not constitute agreement with the application of those terms and conditions. Nor does it constitute an agreement with such terms and conditions when HSP performs though being aware of conflicting or supplementary terms and conditions of the Contractual Partner or a third party.
- 1.3. These GTC replace all terms and conditions previously agreed between HSP and the Contractual Partner and also apply to all future deliveries, Services, or offers to the Contractual Partner, even if they are not separately agreed again.

2. Conclusion of contract

Offers are non-binding; the contract only comes into effect upon order confirmation by HSP. The order confirmation can be issued in writing or in text form. Invoicing and/or actual performance under the agreement shall be deemed a order confirmation.

3. Delivery terms

- 3.1. The place of performance for all obligations arising from the contractual relationship is the registered office of HSP.
- 3.2. The risk of accidental loss and accidental deterioration of the Products (price risk (*Preisgefahr*) and physical risk (*Sachgefahr*)) shall pass to the Contractual Partner, and delivery shall be deemed to have been fulfilled when the Product is made available to the Contractual Partner at the place of dispatch. This shall also apply if partial deliveries are made, HSP bears the delivery costs, or HSP has taken on other responsibilities (e.g., shipping or installation).

- 3.3. HSP endeavours to specify delivery periods and delivery dates precisely and to adhere to them even in the event of unforeseen difficulties. Nevertheless, specified delivery periods and delivery dates are not binding, but subject to our own supply, unless a fixed period or a fixed date has been expressly promised or agreed.
- 3.4. Performance deadlines and performance dates shall be extended or, respectively, postponed for the duration of the respective hindrance plus a reasonable period of time, if and to the extent that timely delivery is hindered (e.g., impossible or illegal) by (i) disruptions in the operations of HSP, subcontractors, suppliers, and/or carriers that are demonstrably of significant influence on the performance of owed performance, or by (ii) industrial actions, war, acts of war, unrests, terrorist attacks, reactor accidents, fire damage, pandemics, Brexit or similar upheavals at state level, natural disasters (e.g., floods), or other cases of force majeure at HSP, subcontractors, suppliers, and/or carriers. HSP shall have a continuous right of withdrawal in the event of force majeure.
- 3.5. HSP is entitled to partial deliveries and partial Services, unless this conflicts with any recognisable interests of the Contractual Partner.

4. Prices and terms of payment

- 4.1. Unless otherwise agreed, prices are quoted in euros and are net plus statutory sales tax and ex works.
- 4.2. Unless otherwise agreed, all invoices from HSP are due immediately upon receipt without deduction.
- 4.3. If the Contractual Partner defaults on its payment obligations, HSP shall be entitled, after a three-month grace period has expired, to make the payment of the entire remaining debt due or to demand other security.
- 4.4. Offsetting with counterclaims of the Contractual Partner or withholding payments due to such claims is only permissible if the counterclaims are undisputed, acknowledged, or determined by court without further legal recourse, or if the claim for such counterclaim is ready for decision. The assertion of a right of retention based on own counterclaims also requires that the counterclaims are based on the same contractual relationship.
- 4.5. HSP is entitled to assign its claims against the Contractual Partner in whole or in part to third parties.

5. Retention of title

- 5.1. HSP remains the owner of all delivered Products until the Contractual Partner has fully paid or settled all current and future claims arising from the business relationship.

- 5.2. Until revoked in accordance with Section 5.2.4 (below), the Contractual Partner is entitled to resell and/or process the Products subject to retention of title in the normal course of business. In this case, additionally the following conditions apply.
- 5.2.1. Resale is only permitted if it is also subject to retention of title.
- 5.2.2. The retention of title extends in full to the goods resulting from the processing, mixing, or combination of the Products, whereby HSP is considered the manufacturer, but this does not entail any obligations for HSP. If, during processing, mixing or combination with third-party goods, third-party property rights are retained, HSP shall acquire co-ownership in proportion to the value of the processed, mixed or combined goods. In all other respects, the resulting good shall be subject to the same provisions as the Products delivered under retention of title. If HSP's co-ownership expires as a result of the mixing or combination of goods, it is hereby agreed that the Contractual Partner's co-ownership of the goods (including end products) shall be transferred to HSP in proportion to the invoice value.
- 5.2.3. The Contractual Partner hereby assigns to HSP all claims against third parties arising from the resale of the Product or good (including all current account claims relating to the resale) in full or in the amount of HSP's possible co-ownership share in accordance with the above paragraph as security in full and with all ancillary rights. HSP accepts the assignment.
- 5.2.4. The Contractual Partner remains entitled to collect the claims. HSP's right to collect the claims itself remains unaffected by this. However, HSP undertakes not to collect the claims if the Contractual Partner duly meets its payment obligations and other essential contractual obligations, is solvent, and HSP does not exercise its retention of title. If HSP is entitled to collect the claims itself, HSP may require the Contractual Partner to provide information about the assigned claims and the debtors, as well as to provide all information necessary for collection, to hand over all necessary documents, and to inform the debtors about the assignment. Furthermore, in this case, HSP is entitled to revoke the Contractual Partner's authorization to further resell and further process the Products.
- 5.3. The Products subject to retention of title, the goods resulting from processing, mixing, or combination, and the claims assigned to HSP as security may not be pledged to third parties or assigned as security before full payment or settlement or, respectively, redemption of the secured claims. If there is an application for the opening of insolvency proceedings or if third parties seize the Products or goods owned by HSP or assigned claims, the Contractual Partner must inform HSP immediately in writing and take all necessary measures to (i) prevent the Products and goods subject to retention of title or

assigned claims from being impaired by the access, and, in particular, to indicate HSP's ownership, and (ii) to prevent the seizure of the Products and goods subject to retention of title or of assigned claims. Costs and damages shall be borne by the Contractual Partner. In particular, the Contractual Partner shall be jointly and severally (*gesamtschuldnerisch*) liable with the third party for the reimbursement of court and out-of-court costs of proceedings in accordance with Section 771 of the German Code of Civil Procedure (*Zivilprozessordnung, ZPO*).

- 5.4. The Contractual Partner shall store HSP's property or co-property in the Products and goods free of charge. The Contractual Partner undertakes to protect HSP's property/co-property in the Products and goods with the diligence of a prudent businessman against spoilage, depreciation, or loss, including vis-à-vis its customers.
- 5.5. In the event of withdrawal, HSP shall be entitled to demand the return of the Products and goods subject to retention of title and, if the withdrawal is attributable to the fault of the Contractual Partner, to claim damages, namely compensation for reasonable exploitation costs. The mere repossession or seizure of the Products or goods subject to retention of title by HSP shall not, as a rule, constitute a withdrawal from the contract.
- 5.6. If the liquidation value of the collateral exceeds 110% of the claims, at the request of the Contractual Partner, HSP must release collateral of the choice of the Contractual Partner.

6. Duty to inspect and notice of defects

- 6.1. The assertion of the Contractual Partner's rights in respect of defects requires that the Contractual Partner has fulfilled its obligations to inspect and give notice of defects in accordance with Section 377 of the German Commercial Code (*Handelsgesetzbuch, HGB*). The Contractual Partner is obliged to inspect the Products completely and carefully immediately after receipt of the delivery, at the latest within 48 hours after delivery, and, if a defect is found, to notify HSP hereof immediately. Defects that could not be discovered immediately even after the most careful inspection must be reported to HSP in writing immediately after their discovery.
- 6.2. Every notice of defects must contain a detailed description of the defect, supporting photos, batch information, and test reports.
- 6.3. In the event of any notice of defects, HSP shall be entitled to inspect and examine the Products in question. If, during the inspection, it transpires that HSP is not responsible for the defect, the Contractual Partner shall be obliged to reimburse HSP for its effort (including any transport, inspection, and disposal costs).

6.4. The burden of proof for the existence and timing of a defect lies solely with the Contractual Partner.

7. Warranty

7.1. Unless otherwise agreed, HSP shall deliver the Products in accordance with a defined product specification. Technical changes as well as changes in shape, construction and/or execution, colour, and/or weight are reserved within reasonable limits; these do not entitle the Contractual Partner to warranty rights for defects. In the case of defects that do not or only insignificantly impair the value and/or usability of the delivered Products, there shall be no claims for defects unless there is malicious intent on the part of HSP.

7.2. The wear and tear of parts subject to wear and tear in the course of normal use does not constitute a defect. Furthermore, no warranty shall apply in particular in the event of: improper use, improper installation, or improper processing by the Contractual Partner; deviations within the tolerances customary in the industry; failure by the Contractual Partner to observe technical specifications/instructions; unauthorized repairs or modifications by the Contractual Partner.

7.3. With regard to the Services, HSP only warrants that they will be provided in accordance with generally accepted methods and with the appropriate level of care and expertise that is generally accepted in the relevant field.

7.4. Subject to the provisions set out in these GTC, statutory provisions, or deviating written declarations, HSP does not assume any further express or implied guarantees, in particular with regard to construction, functionality, or suitability for a specific purpose. Any guaranty promises made by employees who have not been granted proxy are invalid.

7.5. If the delivered Products are defective or do not meet the guaranteed quality standards, HSP will remedy the defect within a reasonable period of time free of charge, at its discretion either by repair or by delivery of a substitute (subsequent performance, *Nach-erfüllung*).

7.6. If the Products or goods have already been delivered to an end customer, the Contractual Partner is generally only entitled to assert claims for defects against HSP to the extent that its end customer has asserted such claims against it. Recourse claims pursuant to Section 445a of the German Civil Code (BGB) are excluded if no sale to consumers takes place in the supply chain.

7.7. Any delivery of used items agreed with the Contractual Partner in individual cases shall be made to the exclusion of any warranty for defects. This exclusion of warranty does

not cover damages resulting from injury to life, limb, or health and/or in cases of gross negligence, intent, or malice.

- 7.8. Claims for defects or breaches of ancillary obligations shall become time-barred within 12 months of delivery of the Products or, respectively, 6 months of provision of the Services to the Contractual Partner, unless longer compulsory limitation periods apply. Irrespective of the above limitation period, the service life of wear parts is determined by their wear and tear through normal use (usual service life). This may be shorter than the period specified in this clause. If a wear part has to be replaced before the end of its usual service life, this does not constitute grounds for a claim for defects.

8. Liability

- 8.1. HSP shall be liable for damages—regardless of the legal basis—in accordance with the statutory provisions in the event of fraudulent intent, intent, or gross negligence, including fraudulent intent, intent, or gross negligence on the part of HSP’s representatives or vicarious agents, or in the event of the assumption of a quality guarantee (*Beschaffheitsgarantie*), as well as for claims under the Product Liability Act. In the event of simple negligence, including simple negligence on the part of HSP’s representatives or vicarious agents, HSP shall only be liable subject to the statutory limitations of liability (e.g., diligence in its own affairs; minor breach of duty),
 - 8.1.1. for damages resulting from injury to life, limb, or health,
 - 8.1.2. for damages resulting from the breach of a material contractual obligation (cardinal obligation, an obligation whose fulfilment is essential for the proper execution of the contract and the compliance with which the Contractual Partner regularly relies on and may rely on); in this case, however, HSP’s liability is limited to compensation for the foreseeable, typically occurring damage.
- 8.2. Apart from the cases mentioned in Section 8.1, HSP’s liability is excluded. In this respect, HSP and/or its affiliated companies shall not be liable under or in connection with the contract, including but not limited to, by way of damages or tort or in any other way for lost profits, lost revenue, lost orders, downtime, loss of production, or for atypical, incidental, indirect, or consequential damages or punitive damages that may arise from the contract or its subject matter or in connection thereof.
- 8.3. Any claims for damages, with the exception of those listed in Section 8.1, shall become time-barred within one year of the start of the statutory limitation period.
- 8.4. The above provisions do not imply a change in the burden of proof to the detriment of the Contractual Partner.

9. Intellectual property rights

- 9.1. The Contractual Partner acknowledges that the intellectual property rights relating to the Products and all rights arising therefrom remain the sole property of HSP or HSP's suppliers or manufacturers of the Products. These GTC shall not be interpreted as granting or conferring on the Contractual Partner any rights in the form of licenses, patents, copyrights, trademarks, or other intellectual property rights in connection with the Products.
- 9.2. The Contractual Partner shall indemnify HSP against all costs, expenses, claims, and judgments based on actual or alleged infringements of third-party intellectual property rights due to a product design or other special requirements specified by the Contractual Partner and/or the application or use of the Product in question by the Contractual Partner or others, and shall defend and indemnify HSP against such claims, including but not limited to all costs and expenses incurred by HSP's defense against such claims.

10. Jurisdiction, arbitration, and choice of law

- 10.1. The legal relationship between HSP and the Contractual Partner is governed exclusively by the laws of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods.
- 10.2. The place of jurisdiction for all disputes arising from or in connection with these GTC or contracts concluded in accordance with them (including those relating to non-contractual obligations) between the parties is Langenfeld (Rhineland). However, HSP is also entitled to sue the Contractual Partner at its general place of jurisdiction.
- 10.3. The Contractual Partner shall bear all fees, costs, and expenses incurred in connection with successful legal action taken against it outside Germany.

11. Other provisions

- 11.1. Legally relevant declarations (e.g., setting deadlines, withdrawal, or reduction), communications and notifications (e.g., notices of defects) must be made in writing or text form. Statutory formal requirements and additional evidence, particularly in cases of doubt regarding the legitimacy of the declaring party, remain unaffected.
- 11.2. Subject to proof to the contrary, the content of all agreements (e.g., supplements, amendments, and subsidiary agreements) shall be governed by a written contract, i.e., in writing or text form (e.g., letter, email, fax), or, respectively, written correspondence or written confirmation from HSP (text form is sufficient). Apart from managing directors or authorized signatories with proxy, HSP employees are not authorized to make oral agreements that deviate from the written agreement.

- 11.3. Should any provision of these GTC or any provision within the framework of other agreements between the Contractual Partner and HSP be or become invalid, this shall not affect the validity of all other provisions or agreements.
- 11.4. This is an English translation of the German general terms and conditions of HSP. In case of any conflict in the meaning or interpretation of the terms and conditions, the German version shall prevail.