

## General Terms and Conditions for Purchases by TESVOLT AG

As of November 1, 2022

### 1. General Provisions

- 1.1 These General Terms and Conditions for Purchases (**GTCP**) apply to all orders, purchase orders and tenders by TESVOLT AG (TESVOLT) with the exception of construction works. The GTCP shall apply to all future deliveries, services or offers to TESVOLT, irrespective of a specific agreement to that effect.
- 1.2 Terms and conditions of the Supplier (Supplier) or third parties shall not apply. These GTCP shall apply exclusively in case TESVOLT orders delivery or service from the Supplier in awareness of the Supplier's or third party terms and conditions.

### 2. Contractual Documents, Precedence

Regarding the type and scope of mutual deliveries and services, the following order of precedence shall apply:

- the individual contract concluded between TESVOLT and the Supplier on the basis of these GTCP by order document;
- framework agreement;
- these GTCP.

### 3. Purchase Order, Offer, Tender

- 3.1 Only written purchase orders by TESVOLT are binding. Oral ancillary agreements to the purchase order shall be binding only if confirmed in writing by TESVOLT (including e-mail).
- 3.2 The Supplier shall confirm the purchase order in writing (including e-mail) by issuing an order confirmation without undue delay, but no later than within 5 working days. The order confirmation shall state the order number, TESVOLT article number, price, net weight, country of origin and tariff code. The Supplier's offer shall be submitted in strict compliance with the specification and the wording of the respective order or tender. The Supplier shall inform TESVOLT in case it considers deviations from the specification pursuant to the tender to be necessary, e.g. due to errors or discrepancies.
- 3.3 Preparation of cost estimates, offers, offer presentations and tenders are free of charge for TESVOLT.
- 3.4 The Supplier shall inform TESVOLT about the engagement of subcontractors (specific entity) for the performance of the contract. Supplier's obligations towards TESVOLT shall remain unaffected by the engagement of subcontractors.
- 3.5 TESVOLT may, at its reasonable discretion, demand fair variations of the quality and quantity of the goods and services to be delivered subject to an adjustment of the compensation, if and to the extent such variation is reasonable taking into account the Supplier's interests. Variations may not be of such nature that it can be reasonably assumed that the Supplier would not have concluded the contract if it had been informed of the variation in advance. Any variation must be made in writing.

### 4. Delivery of Goods

- 4.1 The delivery time (delivery date or period) stated by TESVOLT in the order or otherwise agreed shall be binding. Delivery prior to the delivery time is not permitted, unless otherwise agreed in writing between TESVOLT and the Supplier. The delivery shall comply with the order in terms of execution, scope and layout. The Supplier shall take local holidays at the place of destination as well as the business hours during which deliveries are accepted into consideration when making the delivery.
- 4.2 The Supplier shall procure supply documentation with the deliveries (in particular packing slips, delivery notes, bill of lading and/or copies of invoices), the ("**Accompanying Documentation**") which clearly show the Supplier's name and address, order number, TESVOLT article number, net weight, country of origin, tariff code, invoice value of the consignment as well as the Supplier's VAT number, information on hazardous substances contained, if applicable, the number of packages, the means of transport and the destination.

With the aforementioned documentation, the Supplier shall supply quality certificates/test certificates (preferably digital) and - if applicable - simple or extended safety data sheets.

- 4.3 The Supplier shall, at a minimum annually, submit a supplier's declaration without a specific request to do so. In the event the origin of goods changes, the Supplier shall enclose an updated supplier's declaration with the respective delivery.
- 4.4 The delivery dates stated in the order or otherwise agreed delivery times are binding contractual dates. As soon as the Supplier foresees that it will not be able to meet the contractual obligations, in particular the delivery time, or that completion within the agreed performance period is unlikely, the Supplier shall inform TESVOLT without undue delay in writing and state reasons for the expected delay. The Supplier shall submit proposals to TESVOLT to avoid or minimize the delay. TESVOLT's rights relating to delay shall remain unaffected.
- 4.5 The Supplier may only invoke the absence of necessary documents to be supplied by TESVOLT if the Supplier has not received these documents within a reasonable period of time despite prior written request.
- 4.6 Signing the delivery note does not imply acceptance of the delivered goods as being in conformity with the contract.
- 4.7 The Supplier shall interrupt or temporarily postpone all work at TESVOLT's request – inter alia for operational reasons. In this case, the contracting parties will meet and discuss the resulting financial and other consequences. The Supplier's statutory rights arising from creditor delay remain unaffected.
- 4.8 Acceptance of a delayed delivery does not constitute a waiver of any rights or claims relating to such delay.
- 4.9 The delivered goods become the property of TESVOLT upon handover to TESVOLT. A simple retention of title by the Supplier remains unaffected by this.

## **5. Packaging, Shipping, Costs, Labelling of Articles**

- 5.1 Deliveries shall be made DDP = Delivery Duty Paid in accordance with the rules of the International Chamber of Commerce (ICC) for the interpretation of national and international commercial terms (INCOTERMS) applicable at the time of the conclusion of the contract to the destination specified by TESVOLT in the order. Notwithstanding the foregoing, the contracting parties may agree on a different mode of shipment in accordance with INCOTERMS. If the Supplier is responsible for the transport of the supplies, the Supplier must endeavour to keep transport costs low. If the terms of delivery are agreed ex works (EXW = ex works) or free carrier (FCA = free carrier), the Supplier shall wait for the transport service providers or for the coordination of the transport by TESVOLT's logistics department. The Supplier shall notify TESVOLT in advance of readiness for dispatch, including provision of the packing data.
- 5.2 The Supplier is responsible for compliance with the applicable shipping rules. TESVOLT may refuse acceptance of deliveries if proper Accompanying Documentation is not provided upon receipt or if TESVOLT's order number is not or not completely listed in the Accompanying Documentation. A refusal of acceptance for the aforementioned reasons does not constitute a delay in acceptance; the costs of the refusal of acceptance are borne by the Supplier.
- 5.3 The Supplier shall use reasonable endeavour to use uniform packaging for the deliveries, e.g. by using standardized pallet size. The Supplier shall reduce any waste arising from the delivery as far as possible or to use rolling standardized types of packaging as far as possible.
- 5.4 The Supplier shall pack the deliveries in a manner that avoids transport damages and facilitates truck transport and the related handling of goods. In particular, the packaging units shall be sealed by the Supplier in a manner that prevents the ingress of rainwater and dirt. Supplier shall be held liable for breaches of these obligation, in accordance with Section 12.2.
- 5.5 Unless a different shipping address is provided by TESVOLT, the following address shall apply:  
TESVOLT AG  
Am Heideberg 31  
06886 Lutherstadt Wittenberg  
Germany
- 5.6 The Supplier shall clearly label the delivered goods in a manner that allows TESVOLT their clear identification.

## 6. Provision of Services

- 6.1 The Supplier shall perform services in its own responsibility. Services to be performed on the premises of TESVOLT or an affiliated company shall be performed in a manner that they do not obstruct TESVOLT's operations and third parties more than is inevitable. The Supplier shall follow TESVOLT's instructions in this respect. This applies particularly to instructions for health and safety reasons.
- 6.2 The service shall correspond to the order in terms of execution, scope and layout. The Supplier shall hand over and transfer ownership of all results of the services and documents (e.g. expert opinions, organisational charts, drafts, drawings, lists and calculations, IT systems and programmes) which are to be provided by the Supplier within the scope of the contract. The Supplier grants TESVOLT an exclusive, irrevocable, transferable right of use to the services and documents provided by the Supplier, even in the event of early termination of the contract. The right of use shall include TESVOLT's right to modify, use or exploit all services and documents. All claims of the Supplier arising from the granting of the rights of use, exploitation and modification are settled with the payment of the contract price.
- 6.3 The Supplier shall state its supplier number and TESVOLT's order number in all letters, documents and invoices. In addition, the Supplier shall enclose proof of performance and - if applicable - quality certificates/test certificates.
- 6.4 TESVOLT reserves the right to monitor and inspect the progress of the work and its execution in accordance with the order as well as the materials used. The Supplier shall provide all information requested by TESVOLT. Inspections carried out by TESVOLT do not constitute a waiver of the Supplier's warranty obligations and liability.
- 6.5 Payments as well as confirmation of receipt by TESVOLT on proofs of performance are not to be considered as acceptance by TESVOLT and do not constitute a waiver of the Supplier's warranty obligations and liability.
- 6.6 Acceptance of a delayed service does not constitute a waiver of any claims that may exist due to the delay.

## 7. Health, Safety and Environmental Protection, Quality, Third Party Rights

- 7.1 The Supplier shall take the necessary measures to prevent accidents and, in particular, comply with the regulations of the German Act on the Implementation of Measures of Occupational Safety and Health to Encourage Improvements in the Safety and Health Protection of Workers at Work (*Arbeitsschutzgesetz*), the German Product Safety Act (*Produktsicherheitsgesetz*), the relevant accident prevention regulations, the regulations on hazardous substances and moreover the generally recognised safety and rules on occupational medicine when performing the services. The above obligations apply *mutatis mutandis* to the delivery of goods.
- 7.2 The goods delivered and/or services provided by the Supplier shall comply with the respectively applicable statutory and other governmental regulations as well as TESVOLT's operational rules and regulations. The Supplier shall indemnify TESVOLT on first demand against all damages and costs (including legal fees) resulting from a breach of legal provisions.
- 7.3 The Supplier shall provide the deliveries and services in accordance with the current state of the art, on time and free from defects.
- 7.4 The Supplier shall ensure that deliveries and services do not violate third-party rights. In particular, the Supplier shall ensure that the deliveries and services do not infringe the intellectual property (in particular patent rights, utility model rights, design rights, copyrights) of third parties. The Supplier shall indemnify and hold TESVOLT harmless in regard of expenses and damages (including reasonable legal fees) arising from a breach of obligations under this Section 7.4. The aforementioned indemnification does not apply if the infringement is the result of individual specifications, in particular detailed drawings, provided by TESVOLT and the Supplier did not recognise or could not recognise despite examination that these specifications lead to an infringement of the rights of third parties.

## 8. Retention and Handover of Documents

The Supplier shall retain all documents relating to the performance of the contract during the statutory periods so that the expenses and obligations incurred can be confirmed at any time. In case of reasonable interest, the Supplier shall, upon request by TESVOLT, hand over copies of all documents related to the contract, where such documents contain Supplier's internal business matters not destined for TESVOLT.

## 9. Prices, Invoicing and Payment

- 9.1 The price stated in the order for deliveries of goods and services is a binding lump-sum price in Euro plus statutorily applicable VAT. Costs for the delivery of goods, e.g. for transport, customs clearance, insurance and packaging, shall be listed separately by the Supplier in invoices as part of the fixed price. Each invoice shall state the statutorily applicable VAT. Invoices shall be sent after delivery/service has been performed – corresponding to the respective order - to the invoice address stated in the order or to TESVOLT's head office. Order numbers shall be stated and all invoicing documents (parts lists, proof of work, measurements, etc.) shall be enclosed. Invoices for partial deliveries/services must be marked as "Partial delivery invoice" or "Partial service invoice", final invoices must be marked as "Remaining delivery invoice" or "Remaining service invoice".
- 9.2 Payments shall be made after performance and 14 calendar days after receipt of an invoice including invoicing documents in accordance with Section 9.1 with a 3% discount or 30 calendar days after receipt of an invoice including invoicing documents in accordance with Section 9.1, unless agreed otherwise in the individual contract (order document). A payment made by TESVOLT is not to be considered as an acknowledgment of the respective debt.
- 9.3 In case of delayed payment, TESVOLT owes interest on overdue amounts in the amount of five percentage points above the respectively applicable base interest rate pursuant to section 247 of the German Civil Code (*Bürgerliches Gesetzbuch*).

## 10. Set-Off and Prohibition of Assignment

- 10.1 TESVOLT is entitled to exercise its statutory rights of set-off and retention. The Supplier may only offset or exercise a right of retention if the respective counterclaim has been acknowledged or has been finally adjudicated.
- 10.2 Assignment and other transfers of rights and obligations of the Supplier beyond the scope of section 354a of the German Commercial Code (*Handelsgesetzbuch*) require the prior consent of TESVOLT in order to be effective.

## 11. Defects

- 11.1 The statutory warranty provisions apply, unless specified otherwise below.
- 11.2 The commercial inspection and notification obligations apply in accordance with the statutory provisions, subject to the following: TESVOLT's obligation of inspection is limited to defects that are evident during a visual external inspection upon delivery including an inspection of the Accompanying Documents as well as TESVOLT's quality control (e.g. transport damage, wrong delivery and short delivery). Otherwise, the decisive criteria is the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. In any case, a notice of defects by TESVOLT is considered to be without undue delay and in due time if it is sent within ten working days from discovery or, in the case of evident defects, from delivery.
- 11.3 The defect remediation shall take TESVOLT's operational concerns into consideration. Instead of defect remediation, TESVOLT may demand a price reduction in accordance with the statutory provisions on reduction (section 441 of the German Civil Code), without the requirements for termination having to be fulfilled.
- 11.4 The Supplier shall indemnify and hold TESVOLT harmless on first demand against all claims by third parties which are asserted due to defects, infringement of third-party rights or product damage which arise due to Supplier's delivery/service based on its share of responsibility.
- 11.5 The statutory period of limitation for claims based on defects is extended by the period of time between the notification of the defect and the remediation of the defect.
- 11.6 As far as parts of the goods or services are changed or replaced during the defect remediation, the Supplier shall replace the substitute and spare parts located at TESVOLT's premises at the expense of the Supplier.
- 11.7 In the event of rescission, the Supplier bears the costs of dismantling/disposal and return freight and bears the costs of disposal.

## 12. Liability of the Supplier and Contractual Penalty

- 12.1 The Supplier is liable for the breach of its contractual obligations in accordance with the statutory provisions, unless otherwise agreed below.

- 12.2 The Supplier shall be liable for the breach of his obligations pursuant to Section 5.2 for damage resulting from unsuitable packaging in accordance with section 414 German Commercial Code. This applies to the entire freight route disclosed to the Supplier.
- 12.3 The Supplier shall be equally liable for a breach of its legal representatives, employees and other vicarious agents and subcontractors.
- 12.4 The Supplier shall be liable for all third party claims for personal injury or property damage based on a defective product supplied by the Supplier and is obliged to indemnify TESVOLT for any liability resulting therefrom.
- 12.5 In case of delays in delivery or in the performance of services for which the Supplier is responsible, TESVOLT may, after prior written notice, demand a contractual penalty in the amount of 0.2%, but not more than 5%, of the gross order value for each commenced working day of delay. The contractual penalty is to be deducted from any claim for damages caused by delay which are to be compensated by the Supplier. TESVOLT is entitled to offset contractual penalties against the next payment installment due in each case.

### **13. Liability of TESVOLT**

- 13.1 TESVOLT's statutory liability for intent and gross negligence is not limited.
- 13.2 TESVOLT's liability for slight negligence - except in the case of injury to life, body or health – is limited to breach of essential contractual obligations, i.e. such obligations that constitute the essence of the contract and the fulfillment of which is a fundamental element of the due performance of the contract and upon the fulfillment of which the Supplier may regularly rely (*Kardinalspflichten*). In this case, liability is limited to the damage that TESVOLT foresaw as a possible consequence of the breach of contract when concluding the contract or should have foreseen taking into account the circumstances that TESVOLT knew or should have known.
- 13.3 Limitations of liability according to the preceding Section also apply to the personal liability of the employees, representatives, organs and vicarious agents of TESVOLT.

### **14. Insurance**

- 14.1 The Supplier shall maintain a third party liability insurance policy with adequate coverage in terms of the value of the order and the liability risk and provide proof of such insurance to TESVOLT upon request to cover the typical risks of the contract, in particular third party liability claims for damages to persons, property and financial losses.
- 14.2 If the Supplier fails to provide evidence of adequate insurance coverage at TESVOLT's request, TESVOLT is entitled to withdraw from the contract with immediate effect or to terminate the contract, after having set a reasonable deadline.

### **15. Termination**

- 15.1 TESVOLT is entitled to rescind or terminate the contract in accordance with the statutory regulations.
- 15.2 In the event of rescission or termination, TESVOLT may demand from the Supplier the handing over of the parts, materials, etc. manufactured or purchased for the order in whole or in part.

### **16. Corporate Governance: esp. Tackling Bribery, Embezzlement, Money Laundering and Compliance with Sanctions**

- 16.1 The Supplier shall comply with all national and international trade laws and regulations applicable to the deliveries and services, including, but not limited to antitrust law, trade control and sanctions regulations.
- 16.2 The Supplier shall comply with all laws and regulations applicable to the deliveries and services in relation to the prevention of bribery, embezzlement and corruption as well as money laundering, including but not limited to the laws of the countries in which the Supplier operates, including in particular the anti-corruption laws of the United Kingdom (UK Bribery Act) and the USA (U.S. Foreign Corrupt Practices Act - FCPA). The Supplier is prohibited from participating in any activity, practice or conduct that would constitute a criminal offence under applicable laws.
- 16.3 The Supplier shall apply its own policies and procedures to ensure compliance with the laws, rules and standards referred to in Section 16.1 and 16.2. The Supplier will maintain them in order to ensure that it, its employees, agents, suppliers and (sub)contractors who provide supplies and services in accordance with or in connection with these GTCP comply with them and, if necessary, shall enforce them.

- 16.4 Upon TESVOLT's request, the Supplier shall at any time provide evidence of compliance with this Section 16 by providing documents and data requested by TESVOLT as well as other reasonable means requested by TESVOLT.
- 16.5 The Supplier will notify TESVOLT of any breach or non-compliance with obligations under this Section 16 as soon as it becomes aware of such an event. A breach of this Section 16 will be considered a fundamental breach of these GTCP.
- 16.6 In the event that a breach of money laundering laws or anti-corruption laws is discovered despite all measures and guidelines of the Supplier and TESVOLT, the Supplier shall investigate the matter. The Supplier shall provide TESVOLT with documents and records as part of the contracting parties' cooperation.
- 16.7 TESVOLT reserves the right to inspect the Supplier's compliance with the statutory provisions listed in Section 16.1, e.g. by conducting on-site inspections and inspection of relevant documents. The Supplier will actively support TESVOLT in this respect.

## **17. Ethics and Sustainable Development, Supply Chain Due Diligence**

- 17.1 The Supplier acknowledges its social responsibility for sustainable development. The Supplier commits in particular
- not to instruct or use work performed by children, slaves or prisoners or based on any other form of forced labour;
  - not to conclude any employment agreements that are the result of abuse or corruption;
  - to refrain from any form of discrimination within the company or towards third parties;
  - to pay the statutory minimum wage;
  - to a careful use of environmental resources in product design, production and the use and disposal or reuse of goods;
  - not to violate any human rights-related obligations in his own business operations pursuant to section 2 para. 4 sentence 1 of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (*LkSG*) or environment-related obligations pursuant to section 2 para. 4 sentence 2 *LkSG* ("**LkS-Obligations**").
- 17.2 The Supplier will furthermore submit anonymised wage and salary lists to TESVOLT for inspection upon request. If the Supplier fails to comply with this request or violates these requirements, TESVOLT will be entitled to rescind the contracts concluded with the Supplier with immediate effect or to terminate the contracts.
- 17.3 The Supplier shall ensure and guarantee that its direct suppliers in accordance with section 2 para. 7 of the *LkSG* and subcontractors commit themselves in the same way as stated in Section 17.1. The Supplier shall furthermore make reasonable efforts to oblige its direct suppliers to also oblige its indirect suppliers not to violate the *LkS* Obligations in accordance with section 2 para. 8 *LkSG*.
- 17.4 The Supplier shall, free of charge and without undue delay, provide TESVOLT with information on compliance with these obligations within his organisation and shall also provide TESVOLT with all (additional) information requested in this regard. In the case of a multi-year contractual term, TESVOLT may also demand that the Supplier regularly updates this information.
- 17.5 In individual cases, TESVOLT reserves the right to check the Supplier's compliance with the obligations stated in Section 17.1 or to have them checked by third parties. The right of inspection includes, in particular, on-site inspections and the inspection of relevant documents. The Supplier will actively support TESVOLT in this respect, in particular by granting access during normal business hours and by submitting documents. The Supplier will make reasonable efforts to grant TESVOLT the rights set out in this Section 17.5 also in respect of direct and indirect suppliers.

## **18. Publication and Advertising**

- 18.1 The Supplier may not evaluate or disclose the business relations with TESVOLT in publications or for advertising purposes.
- 18.2 Exceptions require a written agreement.

## 19. Confidentiality

- 19.1 TESVOLT and the Supplier hereby agree to treat the content of this contract and all information obtained in connection with the execution of this contract as strictly confidential and not to disclose it to any third party, unless such disclosure is necessary for the proper execution, including the approval of this contract by the supervisory bodies of the contracting parties. This applies in particular to
- Customer data;
  - Data of potential customers;
  - Supplier/retailer data;
  - documents, illustrations, drawings, calculations and other documents which the Supplier has received from TESVOLT.
- 19.2 The Supplier undertakes to expressly oblige its employees as well as any third parties used in the context of the provision of its deliveries and services in accordance with Section 19.1.
- 19.3 As far as information is disclosed to third parties, this disclosure is to be limited to the extent necessary to achieve the aforementioned exceptional circumstances and such third parties, in turn, are to be obligated to maintain the confidentiality of the information received.
- 19.4 Each contracting party is entitled to disclose confidential information if and to the extent that it is obliged to disclose such information due to statutory provisions or a governmental or judicial order. In this case, the contractual partner shall ensure that the information concerned is marked as confidential.
- 19.5 The aforementioned provisions do not apply to the disclosure of information to affiliated companies within the meaning of sections 15 et seq. German Stock Corporation Act (*Aktiengesetz*), which in turn must be obliged to maintain the confidentiality of the information received, and information that is publicly known at the time of the conclusion of the contract or is made publicly known thereafter, other than as a breach of these confidentiality obligations. This confidentiality obligation also applies beyond the termination of the contract.

## 20. Data Protection

- 20.1 The personal data collected by TESVOLT in the context of the order and the execution of the order are stored and processed automatically. Such data is used exclusively for the purposes of this contractual relationship (e.g. for invoicing and customer support) in compliance with the applicable data protection provisions of the EU General Data Protection Regulation (GDPR). Any further collection, processing or use of the data shall require the Supplier's express consent.
- 20.2 TESVOLT's privacy policy can be viewed at <https://www.tesvolt.com/de/datenschutz.html>.
- 20.3 As far as the Supplier obtains personal data of TESVOLT's employees or customers during the execution of the order, the Supplier shall maintain data secrecy in accordance with the statutory provisions. The Supplier represents that only employees who are subject to a written obligation to maintain data secrecy and who have previously been briefed on the data protection provisions applicable to them will participate in performance of the contract.

## 21. Miscellaneous

- 21.1 The contractual language is German. German law shall apply and the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.
- 21.2 As far as the Supplier is a merchant within the meaning of the German Commercial Code (*Handelsgesetzbuch*), a public law entity or a public law special fund, TESVOLT's headquarters is the exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship. In addition, TESVOLT is entitled to file lawsuits at the court that has jurisdiction at the place of the Supplier's seat.
- 21.3 Modifications or amendments to the individual contracts and their components, including these GTCP, must be made in writing. This also applies to the written form requirement itself.
- 21.4 In the event that any of the terms of these GTCP are or become invalid or inexecutable, the contract as a whole and the remaining terms of these GTCP remain in effect. The contracting parties are obliged to replace the invalid/inexecutable term with an economically similar term, taking into account the interests of both contracting parties. The same shall apply to any gaps.