

# **Terms and conditions for the purchase of services ("Terms and Conditions of Purchase")**

**Zeppelein Baumaschinen GmbH (ZBM), Graf-Zeppelin-Platz 1, 85748 Garching near Munich**

## **1. Scope, exclusive application, legal provisions, amendments, text form**

- 1.1 These Terms and Conditions of Purchase shall apply to all offers, orders and contractual declarations by ZBM relating to the sale or manufacture and delivery of movable goods (hereinafter referred to as the "goods") to ZBM or the provision of work or services to ZBM, provided that the contractual partner of ZBM (hereinafter referred to as the "Supplier") is an entrepreneur (Section 14 German Civil Code (BGB)), a legal entity under public law or a special fund under public law. These Terms and Conditions of Purchase do not apply to employment contracts (Section 622 BGB) or permanent employment contracts (Sections 617, 629, 630 BGB). They also do not apply to construction contracts (Sections 650 (a) et. seq. BGB).
- 1.2 Upon conclusion of the first contract in which these Terms and Conditions of Purchase are incorporated, the Supplier shall also recognize their applicability to all future contracts with ZBM. This also applies to the transactions concluded verbally (especially by telephone), by e-mail or online (e.g. via online shops) and irrespective of whether ZBM expressly refers to the applicability of the Terms and Conditions of Purchase. The version of the Terms and Conditions of Purchase which is valid upon conclusion of the contract shall be applicable. The valid version of the Terms and Conditions of Purchase can be downloaded from the ZBM homepage ([www.zeppelin-cat.de](http://www.zeppelin-cat.de)) and will be sent to the Supplier on request.
- 1.3 Only these Terms and Conditions of Purchase shall apply to the contract and business relationship between ZBM and the Supplier. Deviating, contradictory or additional terms and conditions, particularly general terms and conditions of the Supplier shall not become part of the agreement. This shall also apply, if ZBM unconditionally accepts the Supplier's performance being aware of such terms and conditions. Even if ZBM fails to refer to an order confirmation from the Supplier with deviating, contradictory or additional terms and conditions, this does not constitute its consent. Insofar as the applicability of special terms and conditions is expressly agreed in individual cases, these Terms and Conditions of Purchase shall additionally apply.
- 1.4 The legal provisions shall remain unaffected to the extent that they are not amended or expressly excluded in the contract or in these Terms and Conditions of Purchase.
- 1.5 Employees at the branches of ZBM are not entitled to change or waive the content of these Terms and Conditions of Purchase.

Written confirmation is required to this end from the head office of ZBM (Graf-Zeppelin-Platz 1, Garching near Munich, Germany).

- 1.6 If written form is required in these Terms and Conditions of Purchase for declarations or agreements, a declaration or agreement in text form (Section 126 b BGB) is also sufficient.

## **2. Offers, errors, loopholes, contradictions, reservation of right to modification, unrestricted right of termination, cost estimates**

- 2.1 Offers from ZBM shall be without obligation, they are merely a request to the Supplier to issue a binding offer itself.
- 2.2 The Supplier may only accept an offer submitted by ZBM within a period of 14 calendar days after receipt thereof, ZBM shall no longer be bound by the offer after the end of this period. The offer must be accepted by written declaration. ZBM shall not refuse to receive the acceptance in this respect. If the Supplier accepts the offer involving extensions, restrictions or other modifications, this shall be deemed a new offer. In this case, a contract shall only be concluded if the Supplier indicates the extensions, restrictions or other modifications in writing and ZBM expressly declares its consent to this.
- 2.3 The Supplier must notify ZBM of obvious errors that are detrimental to them (e.g. typing or arithmetic errors) as well as any incompleteness or inconsistency in their offer or their contractual declaration, including the offer or contractual documents, and give ZBM the opportunity to correct these before concluding the contract. The same applies to deviations to the offer or the contractual declaration from ZBM's original request. If the Supplier breaches this obligation, the contract shall not come into force.
- 2.4 If the Supplier's performance is described in the contract or the contract documents in an incomplete or contradictory manner or if it requires an addition or specification for other reasons, the Supplier must obtain the corresponding instructions from ZBM. In particular, the Supplier shall not be entitled to assume a specific (beneficial for the Supplier) type of execution without prior consultation with ZBM.
- 2.5 As long as the Supplier has not yet provided its performance in full, ZBM shall be entitled, even after conclusion of the contract, to request reasonable modifications to the performance, in particular with regard to the design, execution, quantity or delivery time. If the modification request results in additional costs or an increase in the agreed remuneration (hereinafter referred to as the "price

**increase”**), the Supplier must indicate this to ZBM and inform ZBM of the specific price increase in writing. Only if ZBM expressly adheres to its modification request being aware of the price increase, is the Supplier entitled to claim it in the event that the modification request is taken into account. If the modification request results in reduced costs, the Supplier can only claim a correspondingly lower remuneration. The same shall apply if the Supplier has to provide only a reduced performance due to the modification request. In this case, the Supplier shall not be entitled to compensation for the lost profit.

2.6 The provisions in clause 2.5 shall not affect ZBM's right to issue instructions in accordance with the contract or legal regulations.

2.7 As long as the Supplier has not yet provided its performance in full, ZBM shall be entitled at any time to terminate the contract in full or with regard to individual, separable parts of the performance without stating any reasons. In this case, the Supplier may only demand the part of the agreed remuneration that exceeds its saved expenses as well as the revenue that it acquires or that it maliciously fails to acquire through other use of its workforce. A prerequisite for the Supplier's claim to remuneration is that it provides ZBM with information about its saved expenses and any revenue otherwise obtained or obtainable by it (by an invoice or in any other way) and outlines which remuneration is not required for the performance or parts thereof provided or as a result of the termination not provided, taking into account these circumstances. The Supplier must provide evidence for its information at the request of ZBM. The above provisions in clauses 2 to 4 shall also apply and in particular, if ZBM is entitled to termination in accordance with Section 648 BGB. However, they shall not apply to other termination or withdrawal rights to which ZBM is entitled under the contract or the legal provisions. These shall remain unaffected. The provisions in clause 2.5 shall also remain unaffected.

2.8 Unless expressly agreed otherwise and in writing, cost estimates of the Supplier shall be free of charge and shall not be remunerated by ZBM.

### **3. Delivery dates and performance periods; damages due to delay; early performance; partial performance**

3.1 Delivery dates and performance periods are binding and must be complied with. Insofar as the Supplier must take subsequent modification requests from ZBM into account in the course of its performance, the agreed delivery date shall be postponed or the agreed performance deadline shall be extended by a reasonable period to be agreed with ZBM with regard to the modification requests taken into account. The Supplier may only invoke the lack of documents, information, materials or substances to be supplied or provided by ZBM or other cooperation by ZBM if it has not received

these within a reasonable period despite a reminder.

3.2 The Supplier must inform ZBM in writing without delay if circumstances arise or it becomes aware of circumstances which indicate that the agreed delivery date or the agreed performance deadline cannot be met. In the event of a breach of this obligation, the Supplier may no longer invoke the relevant circumstances at a later date. In addition, the Supplier shall compensate ZBM, irrespective of whether it is responsible for the non-compliance with the delivery date or the performance deadline, for any damage that may be incurred as a result of a breach of the obligation arising from the first sentence of this clause. This shall not apply if the Supplier proves that it is not responsible for the breach.

3.3 If the Supplier delays its performance, ZBM shall be entitled to demand a lump-sum compensation for its damages caused by delay in the amount of 0.3% of the contract price per working day of the delay, but no more than 5% of the contract price in total. The contract price is the agreed net price for the performance of the Supplier affected by the delay. The Supplier has the right to prove that ZBM has incurred no damage, or only significantly lower damage. ZBM reserves the right to prove and claim further damages caused by delay.

3.4 If performance is early, i.e. before the agreed delivery date or performance deadline, ZBM shall be entitled to refuse acceptance without causing a delay in performance or acceptance. Irrespective of this, the provision in the first sentence of clause 6.6 shall apply to the due date of the remuneration.

3.5 If ZBM accepts early performance, it may claim compensation from the Supplier for the damage incurred as a result thereof (e.g. storage costs). ZBM shall also be entitled to store goods delivered prematurely up to the agreed delivery date and to demand a flat rate of EUR 4.50 per calendar day from the Supplier for this purpose. VAT shall be payable in addition to the flat rate. The flat rate plus VAT may not exceed a maximum amount of 5% of the gross remuneration for the goods delivered prematurely. The Supplier has the right to prove that ZBM has incurred no or only significantly lower damage as a result of early delivery. ZBM shall remain entitled to provide evidence of higher damages and to assert further claims. In particular, ZBM reserves the right to return the goods to the Supplier at the Supplier's expense and risk. The above provisions shall not apply if the Supplier is not responsible for early performance.

3.6 Partial deliveries or partial performance are only permitted with the written consent of ZBM. If the Supplier only provides partial delivery or partial performance, ZBM shall be entitled to cancel the remaining performance.

- 4. Performance provided, scope of performance, EU conformity, reservations, supply of spare parts, place of performance, transfer of risk, information on contractual documents, delayed acceptance**
- 4.1 The Supplier shall not be entitled to have its agreed performance provided by third parties without the prior consent of ZBM. Consent may not be refused by ZBM without an objective reason. Insofar as the Supplier makes use of third parties to provide its performance, it must impose all obligations on them that are incumbent upon the Supplier and take responsibility for compliance with these obligations.
- 4.2 Unless otherwise agreed, the Supplier shall bear the procurement risk for its performance. The scope of performance is based on the contract or order. Documents, reports, ideas, drafts, models, samples and all other results arising from the performance provided are part of the performance owed by the Supplier. ZBM is entitled to them and they are compensated by the agreed remuneration, no special remuneration can be demanded for them.
- 4.3 The Supplier's performance must comply with the health and safety requirements of all relevant European directives and other regulations and have the corresponding markings (in particular CE marking). The Supplier must provide ZBM with all documents required for corresponding verification (in particular the EU declaration of conformity). The same applies to all other documents required for use in accordance with the contract, in particular operating and installation instructions, manuals, test reports or safety data sheets. Access to the aforementioned documents by ZBM is a prerequisite for the Supplier's performance to be complete and free from defects.
- 4.4 If the Supplier has reservations about the manner in which ZBM wishes the performance to be executed, it must inform ZBM of this in writing and propose modifications to ZBM that it considers necessary in order to meet the agreed performance specification and the legal requirements. This applies regardless of whether the manner of execution requested by ZBM results from the contract or from instructions by ZBM. The Supplier must also inspect materials or substances to be provided by ZBM and to inform ZBM in writing if these are defective or unsuitable for providing the Supplier's performance. If the Supplier breaches these obligations, it may not invoke a loss, deterioration or defectiveness of its performance being due to the defect in the materials or substances to be supplied by ZBM or related to the requests or instructions by ZBM.
- 4.5 The Supplier must guarantee a sufficient supply of spare parts for goods delivered by the Supplier under appropriate conditions. This obligation shall commence upon delivery and shall apply for the intended service life of the delivered goods. The minimum period is 10 years from delivery. If the Supplier discontinues the delivery of spare parts after this period ends, the Supplier must inform ZBM of this in good time and give ZBM an opportunity to place a last order.
- 4.6 The place of performance for the service and any subsequent performance by the Supplier is the destination specified in the order or in the contract (obligation to deliver). In the absence of a different written agreement, the Supplier shall deliver the goods owed by the Supplier free of charge (at its own risk and expense) to the destination. If no destination or place of performance is specified in the contract or in the order, this shall be the branch of ZBM which has concluded the contract.
- 4.7 The risk of accidental loss and accidental deterioration of the goods owed by the Supplier shall only be transferred to ZBM upon handover at the place of performance. This shall also apply if the Supplier ships the goods at ZBM's request, Section 447 BGB shall not apply. If acceptance within the meaning of the law governing contracts for work and services is agreed or required (Section 640 BGB), this shall be decisive for the transfer of risk.
- 4.8 The Supplier must mention the correct order number, contract number or job number of ZBM on all shipping documents, invoices and delivery notes. If this information is missing or incomplete, ZBM shall not be responsible for any resulting delays in the performance of the contract and payment. The Supplier shall be responsible for all consequences arising from non-compliance with this obligation, unless it can prove that it is not responsible for these.
- 4.9 The legal provisions shall apply to delayed acceptance. By way of derogation from this, ZBM's acceptance shall not be considered as delayed if there is no explicit offer from the Supplier. An explicit offer is also necessary if a time is determined or possible to determine by reference to the calendar for an action or cooperation to be performed by ZBM and ZBM does not perform this on time.
- 4.10 If ZBM's acceptance is delayed, the Supplier shall nevertheless remain obliged to execute (subsequent) performance. Section 615 (1) sentence 1 BGB shall not apply. However, the Supplier may demand reimbursement of its additional expenses in accordance with the legal provisions (Section 304 BGB). If the Supplier must manufacture an item it is not generally responsible for (custom-made product), it shall only be entitled to further rights if ZBM has an obligation to cooperate and is responsible for failing to cooperate.
- 5. Exemption from the obligation to accept or take delivery, withdrawal from the contract, termination**
- 5.1 ZBM shall be exempt from the obligation to accept or take delivery of performance if the Supplier's performance is delayed due to force majeure or for other reasons and the Supplier's performance is

- of no further use to ZBM due to the delay. In this case, ZBM is entitled to withdraw from the contract; no notice period is required for this.
- 5.2 ZBM shall be entitled to withdraw from the contract if it has not yet provided its performance and it becomes apparent that its expected performance is at risk due to the Supplier's lack of performance. This shall be the case in particular, if the customer issues an affidavit on its financial circumstances or enforcement measures are undertaken against it.
- 5.3 ZBM shall be entitled to withdraw from the contract if the Supplier ceases its payments or its financial circumstances deteriorate significantly. The same shall apply if an application for the commencement of insolvency proceedings on the assets of the Supplier is filed or rejected or the insolvency proceedings are discontinued.
- 5.4 ZBM shall be entitled to withdraw from the contract if the Supplier promises, offers or grants advantages of any kind to a ZBM employee, agent or a third party involved on their behalf in the preparation, conclusion or implementation of the contract.
- 5.5 If the contract between the Supplier and ZBM is a continuing obligation (e.g., a contract of service), the right to terminate the contract without notice by ZBM shall replace the right of withdrawal within the framework of the above provisions.
- 5.6 In the event of its termination, the contract shall not be extended by the Supplier continuing and ZBM not objecting to this; Section 625 BGB shall not apply.
- 5.7 The legal cancellation and termination provisions shall also remain unaffected.
- 6. Prices, ancillary services and costs, invoicing, due date, interest**
- 6.1 Prices shown in ZBM offers or orders are fixed prices, unless clearly stated otherwise. If an offer or order of ZBM does not indicate a price, this must be stated in the written declaration of acceptance or order confirmation of the Supplier. In this case, a contract shall only be concluded if ZBM confirms the conclusion of the contract in writing or accepts performance without reservation, being aware of the price indicated.
- 6.2 All prices include statutory value added tax, unless this is listed separately.
- 6.3 Unless otherwise agreed in writing, the agreed price shall include and compensate for all services and ancillary services of the Supplier (e.g. assembly, installation) as well as any costs incurred in the course of shipping on a "free carrier" basis (e.g., for proper packaging, transport, customs duties, insurance). Claims for additional services can only be asserted by ZBM after prior agreement in written or text form and commissioning of the additional services. Otherwise, additional claims are excluded. The same applies to claims for reimbursement of expenses or corresponding advance payments.
- 6.4 If the Supplier's performance consists in a service, the Supplier may only demand remuneration for services actually rendered, Section 616 sentence 1 BGB does not apply.
- 6.5 Invoices must be sent to ZBM immediately after performance has been provided. They must comply with the legal requirements, in particular the Value Added Tax Act. The correct order, contract or job number of ZBM, the date on which the contract was concluded and any drawing and production numbers must be stated on each invoice. If the invoice relates to goods or services from different orders or contracts, the service and quantity associated with each order or contract must be mentioned specifically. If the aforementioned requirements are not complied with, the Supplier shall not be entitled to claim payment of the relevant invoice from ZBM. The second and third sentence of clause 4.8 shall apply accordingly.
- 6.6 The agreed remuneration shall not be due for payment before the agreed delivery/performance date or expiry of the agreed delivery/performance period. Unless otherwise agreed to in writing, remuneration is due for payment within 30 calendar days from complete delivery or performance (including any necessary or agreed acceptance), receipt of all contractually owed documents and receipt of a proper and verifiable invoice. If ZBM makes the payment within 14 calendar days from this date, the Supplier shall grant it a 3% discount on the net amount of the invoice.
- 6.7 Insofar as partial deliveries or partial performance are agreed in individual cases, the agreed remuneration shall only be due upon provision or acceptance of the last partial delivery or partial performance, there shall be no partial remuneration for the individual parts of performance in each case. This does not apply to successive delivery contracts or in the event of cancellation of a partial delivery or partial performance in accordance with the second sentence of clause 3.6.
- 6.8 ZBM shall not owe any interest due. The provision of Section 641 (4) BGB is waived. The legal provisions shall apply to late payment.
- 7. Offsetting, right of retention, transfer of rights and obligations**
- 7.1 The Supplier may only declare offsetting or set-off against claims to which ZBM is entitled with the Supplier's undisputed or legally binding claims.
- 7.2 The Supplier may only assert a right to refuse performance or right of retention on the basis of undisputed or legally binding claims. This shall also apply to the commercial right of retention (Sections 369 et. seq. of the German Commercial Code (HGB)). In addition, the Supplier may only assert a right of retention if the claims to which the

Supplier and ZBM are entitled are based on the same contractual relationship.

7.3

The Supplier may not assign or transfer its contractual obligations, rights and claims to third parties without the express consent of ZBM. Consent to the assignment is hereby granted in advance in the event that the Supplier has acquired the goods to be delivered to ZBM from a third party under extended retention of title and the latter has authorized the Supplier to resell the goods only against assignment of the resulting claims.

7.4

ZBM shall be entitled to assign its claim for services against the Supplier or transfer it to third parties. This also applies if the Supplier's performance is a service or the execution of an order, Sections 613 sentence 2, 664 (2) BGB do not apply.

8.

## **Quality, obligation to inspect and report defects, claims for defects, self-performance, guarantee, limitation period**

8.1

The Supplier shall be liable for ensuring that performance or the delivered goods have the agreed quality. The agreed quality includes in particular, that performance or the delivered goods correspond to the state of the art of science and technology and that all legal regulations as well as all current standards, guidelines and regulations of the authorities, professional associations and trade associations are complied with. The agreed quality also includes all specifications and product descriptions that are mentioned or referred to in the order or in the contract or that are submitted in the context of contract initiation (e.g. in inquiries, quotations or on the Supplier's website). This applies regardless of whether they originate from ZBM, the Supplier or the manufacturer.

8.2

The Supplier's liability for the lack of defects, in particular the correctness and completeness of its performance, shall not be limited by the acceptance, consent or approval of drawings or execution plans by ZBM. Upon conclusion of the contract, ZBM has no obligation to inquire about any defects in the performance or to inspect the ordered goods. ZBM shall therefore be entitled to legal claims for defects without restriction, even if it has not been aware of a defect at the time of concluding the contract as a result of gross negligence. The same shall apply if the defect is attributable to materials or substances that are to be provided or supplied by ZBM and ZBM is not to be accused of intentional or fraudulent action in this respect.

8.3

A defect also exists in the event of incorrect or short delivery, improper installation or incorrect instructions on installation, use or operation.

8.4

The commercial inspection and notification obligations of ZBM are based on the legal provisions. However, these apply to ZBM subject to the following condition: Insofar as acceptance (Section 640 BGB) is agreed or required, there is no

obligation to inspect. In all other respects, any existing obligation to inspect the goods without delay is limited to defects that are apparent during an incoming goods inspection with an external examination of the goods, including the delivery documents (obvious defects). Such defects must be reported immediately. Other defects must be reported immediately after they are discovered in the context of the circumstances of a proper business process. In any case, a complaint shall be deemed to be immediate if it is sent within 2 weeks from discovery of the defect. The Supplier waives the objection to late notification of defects.

8.5

If the Supplier fails to fulfill its obligation to rectify a defect within a reasonable period of time set by ZBM, the latter shall be entitled, without prejudice to further legal claims, to rectify the defect itself or have it rectified by third parties and to demand reimbursement from the Supplier of the expenses required for this (self-performance). ZBM may also demand an advance from the Supplier with regard to the costs required for self-performance. It is unnecessary to set such a period for minor defects or if ZBM agrees with the Supplier on the self-performance to be carried out. It is also unnecessary to set such a period if the Supplier has failed to rectify the defect or if it doesn't seem reasonable for ZBM (e.g. due to special urgency). The latter is particularly the case if a defect poses a risk to operational safety or the risk of unusually high damage for ZBM or third parties. In this case, ZBM must inform the Supplier of the measures taken by way of self-performance immediately after the risk has been eliminated.

8.6

If the delivered goods are installed in another item or attached to another item, subsequent performance also includes the removal of the defective goods and their reinstallation. ZBM's legal claim to reimbursement of corresponding expenses remains unaffected.

8.7

The Supplier shall bear the expenses required for the examination and subsequent performance even if it turns out that there was actually no defect. In the event of an unjustified request for rectification of defects, ZBM shall only be liable for damages in accordance with the legal provisions, if ZBM has recognized or has not recognized through gross negligence that no defects existed.

8.8

ZBM shall be fully entitled to the legal claims for defects. If acceptance within the meaning of the law on contracts for work and services is agreed or required, ZBM may assert without restriction the defect-related rights specified in Section 634 BGB as regards the defects that it recognized before or during acceptance, even if it did not appropriately reserve these rights during acceptance.

8.9

Subject to the provisions under clause 8.10, claims for defects which ZBM is entitled to shall expire 36 months after the transfer of risk. If acceptance within the meaning of the law governing contracts for work and services is agreed or

required, the limitation period shall commence upon acceptance. These regulations apply to both material defects and defects of title. If a defect consists in performance not being free of third-party rights, the relevant defect claims shall still not lapse, as long as the third party can still assert these rights against ZBM (in particular due to a lack of limitation period).

8.10 If the limitation period in accordance with the legal provisions is longer than the limitation period specified in clause 8.9, the legal limitation period shall apply. This is the case, for example, if the defect consists in a material right of recovery by a third party or in a right entered in the land register (Section 438 (1) no 1 BGB). The same shall apply to a building or the provision of planning or supervisory services for this purpose or to an item which has been used for a building in accordance with its common use and which has caused the building to be defective (Sections 438 (1) no. 2, 634a (1) no. 2 BGB). The provision in the fourth sentence of clause 8.9 remains unaffected.

8.11 The limitation period shall be suspended as long as negotiations are pending between ZBM and the Supplier regarding claims for defects or the circumstances justifying them or the Supplier carries out an examination with regard to the existence of a defect and/or subsequent performance. The suspension shall begin with the written or verbal notification of defects by ZBM and shall end when the claimed defect has been completely rectified and the performance has been accepted by ZBM or a party refuses to continue negotiations on the claimed defect. Section 203 sentence 2 BGB remains unaffected.

8.12 If the Supplier fulfills its obligation to rectify the defect, the limitation period shall begin again in consideration of the defect in question. The same applies to other defects in the parts that have been repaired, subsequently delivered or replaced in the course of the rectification of the defect.

## 9. Supplier recourse

9.1 ZBM shall be entitled to the legally established rights of recourse within a supply chain (Sections 445 a, 445 b, 478 BGB) without restriction in addition to the claims for defects. In particular, ZBM is entitled to demand from the Supplier precisely the type of subsequent performance (repair or replacement delivery) that it owes its customer. This does not restrict the option in accordance with Section 439 (1) BGB.

9.2 ZBM shall also be entitled to the claims specified in clause 9.1 if the defective goods are processed further by ZBM or another company (e.g. through installation in another product).

9.3 ZBM reserves the right to notify the Supplier and to request a written statement with a brief description of the facts before it recognises or fulfills a claim asserted by its customer for subsequent performance or reimbursement of expenses. If, in this

case, a substantiated statement is not made by the Supplier within a reasonable period and no agreement is reached, the subsequent performance actually granted or the reimbursement of expenses granted by ZBM shall be deemed as owed to its customer by ZBM. In this case, the Supplier must prove the contrary.

9.4 Clauses 8.9 to 8.12 shall apply accordingly to the statute of limitation of the rights of recourse referred to in clause 9.1.

## 10. Reservation of contractual penalty

If a contractual penalty is agreed in favor of ZBM, ZBM shall be entitled to assert the reservation pursuant to Section 341 (3) BGB (reservation of contractual penalty) until the end of a period of one month after acceptance of the Supplier's last performance. If the final payment by ZBM is still scheduled after the end of this period, ZBM may also express the reservation of contractual penalty until the final payment.

## 11. Breach of industrial property rights, indemnification, limitation period for the indemnification claim

11.1 In accordance with the legal provisions, the Supplier shall be liable for ensuring that its performance and its contractual use do not breach the industrial property rights and applications for industrial property rights (hereinafter collectively referred to as "**industrial property rights**") of third parties in Germany. The same applies to industrial property rights of third parties in the country of final destination of the performance, if this is known to the Supplier.

11.2 If claims are asserted against ZBM by a third party in connection with a breach of clause 11.1, the Supplier must indemnify ZBM from these claims. The indemnification must take place at the first written request. The indemnification obligation relates to all liabilities and expenses (including legal costs) incurred by ZBM as a result of or in connection with claims by the third party. However, the indemnification obligation shall not apply if ZBM concludes agreements with the third party, in particular a settlement with the third party as regards the claims asserted by the third party, without the consent of the Supplier.

11.3 Clauses 8.9 to 8.12 shall apply accordingly to the limitation period of the aforementioned indemnification claim. The limitation period for the indemnification claim shall not apply as long as the third party can still assert its claims against ZBM (in particular due to a lack of limitation period).

11.4 The provisions in clause 8 regarding the Supplier's liability for defects shall not be affected or restricted by the above provisions.

## 12. Transfer and retention of title, processing, alteration, combination, mixing

- 12.1 Unless otherwise agreed, the goods delivered shall be transferred to ZBM unconditionally and irrespective of the payment of the purchase price or the agreed remuneration. If, in individual cases, a retention of title is agreed in favor of the Supplier, this shall expire no later than upon payment of the purchase price or the agreed remuneration for the goods concerned. In this case ZBM shall also be entitled to resell the goods in the course of a proper business process already before payment of the agreed remuneration, with the advance assignment of the resulting claims to the Supplier. Any other form of retention of title, in particular the retention of title extended or prolonged for further processing by the Supplier, is excluded.
- 12.2 If ZBM supplies or provides the Supplier with materials or substances (hereinafter referred to as "parts"), these shall remain the property of ZBM. Insofar as the Supplier processes or alters the parts, the processing or altering shall take place for ZBM as the manufacturer. ZBM shall acquire co-ownership of the resulting new item in proportion to the value of the parts provided by ZBM as compared to the value of the other processed or altered items at the time of processing or alteration.
- 12.3 If a new item is created by combining or mixing the parts provided by ZBM with an item of the Supplier and the item of the Supplier is to be regarded as the main item, the Supplier shall already transfer to ZBM co-ownership of the new item in proportion to the value of the parts provided by ZBM as compared to the value of the other combined or mixed items at the time of the combination or mixing.
- 12.4 The Supplier shall keep the ownership or co-ownership of the new item resulting from processing, alteration, combination or mixing free of charge for ZBM. The Supplier is only entitled to resell the new item with the consent of ZBM. The Supplier hereby assigns to ZBM the claims arising from the resale of the new item amounting to the value of the parts provided by ZBM as security and ZBM accepts the assignment. This also applies in the event that the resale takes place (in breach of contract) without the consent of ZBM. The Supplier must provide ZBM with all information and documents that are required by ZBM to pursue its ownership rights to the new item or the claims assigned to it.
- 12.5 The legal provisions shall apply to the acquisition of ownership by ZBM through processing, alteration, mixing or combination of the goods.

### **13. Packaging**

The goods to be delivered must be packaged by the Supplier in such a way that damage during transport and loading processes is avoided. Unless there is a different agreement in written or text form, ZBM is entitled, but not obliged, to return the packaging supplied or used by ZBM to the Supplier free of charge. If the packaging still has value for the Supplier, for example because it can be

reused, the Supplier must credit this value for ZBM to the price agreed for the delivered goods. This also applies if the packaging costs are not indicated as such in the agreed price. The Supplier must ensure that as regards packaging all legal regulations are complied with and the relevant taxes are paid in full.

- 14. Producer liability, indemnity, third party liability insurance cover**
- 14.1 If the Supplier is responsible for a product defect in accordance with the legal provisions, it must indemnify ZBM from third-party claims for damages to the extent that it is liable to third parties itself. The indemnification must take place at the first written request. The Supplier shall reimburse ZBM for all expenses incurred by ZBM from or in connection with a third-party claim. This also includes the costs of a recall action carried out by ZBM. As far as it is possible and reasonable ZBM shall inform the Supplier of the content and scope of the recall measures to be carried out and shall give the Supplier an opportunity to comment.
- 14.2 If ZBM is also responsible for the damage, clause 14.1 shall only apply to the extent that the Supplier is obliged to bear the damage in proportion to ZBM.
- 14.3 Using reasonable efforts, the Supplier must provide ZBM with all necessary documents and information as well as any support to defend claims by third parties against ZBM due to a product defect. If ZBM is subject to the special rules on the burden of proof in relation to the third party, these shall also apply in the relationship between ZBM and the Supplier. This does not apply if the circumstances to be proven are attributable to the area of responsibility of ZBM.
- 14.4 Further legal claims of ZBM remain unaffected.
- 14.5 The Supplier must take out and maintain a product liability insurance with a flat rate sum insured of at least € 5.0 million (in words: five million euros) per personal injury/property damage. Any indemnity or compensation claims to which ZBM may be entitled shall therefore not be limited in terms of amount to the above-mentioned sum.

### **15. Compensation for damages and reimbursement of futile expenses by ZBM**

- 15.1 Claims by the Supplier against ZBM for damages or for reimbursement of futile expenses shall arise only within the scope provided for in this clause 15 and under the conditions specified below, otherwise, any liability of ZBM for damages and reimbursement of futile expenses shall be excluded. This shall apply to contractual liability on the part of ZBM and its liability in tort or on other legal grounds.
- 15.2 ZBM shall be liable in accordance with the legal provisions for damage caused by deliberate action or gross negligence, subject to the following

condition: ZBM shall only be liable for gross negligence on the part of simple vicarious agents (who are not legal representatives or senior employees of ZBM) if material contractual obligations pursuant to the second sentence of clause 15.3 are breached. In addition, ZBM's liability for the fault on the part of simple vicarious agents is limited to foreseeable damage typical for this type of contract.

- 15.3 In accordance with legal provisions ZBM shall be liable for damage that is caused by minor negligence, only if material contractual obligations are breached. Material contractual obligations are those whose fulfillment is essential for the proper execution of the contract and whose observance is relied and may be relied on by the Supplier. At the same time, the liability of ZBM shall be limited to foreseeable damages that are typical for the contract.
- 15.4 The exclusions and limitations of liability in this clause 15 shall not apply to damages resulting from injury to life, body or health. The same applies to other cases, insofar as the legal liability rules are mandatory and cannot be waived.
- 15.5 The above provisions in this clause 15 shall also apply to any personal liability on the part of the management bodies, representatives and vicarious agents of ZBM.

## **16. Handling and return of documents, substances and materials, confidentiality**

- 16.1 All documents and records provided to the Supplier by ZBM, in particular images, plans, drawings, application instructions, calculations and product descriptions (hereinafter "**ZBM documents**") shall remain the property of ZBM. ZBM retains all rights to the ZBM documents, in particular copyrights. The Supplier may only use the ZBM documents for the contractual performance and must return them to ZBM free of charge after the execution or termination of the contract without the need of being requested to do so. In this respect, the Supplier may not retain any copies or notes, but must delete or destroy them, this must be confirmed to ZBM in writing or in text form on request. Subject to the express permission of ZBM, the ZBM documents may not be provided or made accessible to third parties.
- 16.2 Goods and products manufactured in accordance with ZBM documents may not be provided to third parties without the prior written consent of ZBM.
- 16.3 Insofar as ZBM agrees for the ZBM documents to be transferred or provided to third parties, the obligations pursuant to clauses 16.1 and 16.2 shall be imposed on the third party by the Supplier.
- 16.4 The above provisions apply accordingly to substances and materials (e.g. software) as well as to tools, templates, models, samples and other items that ZBM provides to the Supplier. Such items must be stored separately at the Supplier's

expense until they are processed and must be adequately insured against destruction and loss. Their reproduction is only permitted within the framework of operational requirements and copyright provisions.

- 16.5 The Supplier and ZBM are mutually obliged to preserve the secrecy of confidential information and refrain from passing it on to third parties. Confidential information means all information that is marked by the other party as confidential or that is to be viewed as confidential based on the circumstances, in particular the information about operational processes, business relationships and expertise. Confidential information includes, in particular, the information contained in the ZBM documents (cf. clause 16.1) and the information resulting from the substances, materials and other objects mentioned in clause 16.4. The confidentiality obligation does not cover the confidential information
    - (a) which was demonstrably already known to the recipient at the time of concluding the contract or which subsequently becomes known to the recipient from third parties without breaching a confidentiality agreement, legal provisions or official orders;
    - (b) which is in the public domain at the time of concluding the contract or becomes known to the public subsequently, insofar as this is not due to a breach of contract;
    - (c) which must be disclosed due to a legal obligation or following an order by court or an authority. Insofar as permitted and possible, the recipient obligated to disclose the information shall inform the other party in advance and give it the opportunity to take action against the disclosure.
  - 16.6 The obligations specified in this clause 16 shall continue to apply even after the execution or termination of the contract. They shall end each time the relevant information has become generally known, but no later than five years after conclusion of the contract. The Supplier must impose the relevant obligations on any upstream suppliers or other third parties whose services it uses to fulfill the contract.
- ## **17. Entire agreement, form, severability clause**
- 17.1 All agreements reached between ZBM and the Supplier during conclusion of the contract are set out in writing or in text form in the contract. There are no verbal ancillary agreements.
  - 17.2 Special agreements and subsequent amendments or supplements to the contract shall be made in writing or in text form. Therefore, in the absence of proof to the contrary, the relevant statements must be submitted in text form to prove the content of such agreements. The same shall apply to agreements that lead to a deviation from the first sentence.

- 17.3 Notifications or declarations by the Supplier to be submitted to ZBM (e.g. notice periods, reminders) must be in writing or text form.
- 17.4 Should individual provisions of the contract or these Terms and Conditions of Purchase be or become invalid or unenforceable in whole or in part, this shall not affect the validity of the remaining provisions, this shall also apply if a loophole in need of supplementation is found. In place of the invalid or unenforceable provision or to fill the loophole, the parties shall conclude an agreement which, to the extent permitted by law, comes as close as possible to the desired economic and legal outcome or what they would have wanted according to the meaning and purpose of the contract, if they had recognized it.

## **18. Choice of law, place of jurisdiction**

- 18.1 The law of the Federal Republic of Germany shall apply to the legal relationships between the Supplier and ZBM.
- 18.2 The national and international place of jurisdiction for all disputes arising from or in connection with the contract shall be Munich (judicial district of Munich I Regional Court). This shall be the exclusive place of jurisdiction for claims by the Supplier against ZBM. ZBM shall also be entitled to file legal action against the Supplier at its place of general jurisdiction.

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