

## General Terms and Conditions of Sale

### I. Definitions:

**Supplier:** the LAPP Group company providing goods and/or Services to Customer

**Customer:** the party ordering goods and/or Services from the Supplier

**Party:** Supplier or Customer

**Written form or writing:** also via email or fax (text form)

### II. General provisions:

1. For deliveries of goods and provision of services by the Supplier, the following General Terms and Conditions shall apply exclusively. Any terms and conditions provided by the Customer which are different than or additional to these General Terms and Conditions are not binding, unless expressly accepted by the Supplier in writing. Additionally, the current Incoterms issued by the International Chamber of Commerce in Paris shall apply.

2. These General Terms and Conditions apply as amended from time to time for all future transactions between the parties regarding deliveries of goods and provision of services without the Supplier having to refer to these General Terms and Conditions in each individual case. The Supplier shall inform the Customer about any amendments to these General Terms and Conditions.

3. These Terms and Conditions have been drawn up in German. Any translation of these Terms and Conditions is for the convenience of the parties only and shall not be binding towards any party. If there is any conflict or ambiguity between the German language version and the other version(s), the German version shall prevail.

### III. Offer and Conclusion of Contract

1. The Supplier's offers are subject to alterations and non-binding.

2. The Customer's orders shall be deemed binding offers to enter a contract. Such orders shall be deemed accepted if the Supplier has expressly confirmed them in writing or the performance of the order has apparently begun.

3. Amendments, modifications or any other agreements made orally or by telephone are only legally binding if confirmed by the Supplier in writing. This also applies to a waiver of this written form requirement.

### IV. Scope of Delivery and Provision of Services

1. Protective devices will be only delivered if this has been expressly agreed or is required by mandatory statutory regulations.

2. Dimensions, weight, illustrations and drawings are only binding for the design of goods if this has been expressly confirmed in writing.

3. Technical data only provide a description of the goods; they do not include any legal warranties for product characteristics, whether express or implied.

4. Unless agreed otherwise, brochures and catalogues are not binding.

5. The Supplier may at any time modify the products for improvement purposes.

6. Gross weight and box dimensions are estimated only and not binding.

7. The Supplier herewith reserves any industrial property rights and/or copyrights pertaining to its cost estimates, drawings and other documents. Such documents shall not be made accessible to third parties without the Supplier's prior consent. Any drawings or documents being part of the Supplier's offers shall, upon request, be returned to the Supplier without undue delay if the contract is not awarded to the Supplier.

8. Partial deliveries are allowed.

### V. Packaging, Pricing and Payment

1. Unless agreed otherwise, prices are ex works and excluding packaging; value added tax shall be added at the then applicable rate. Prices offered are not binding for reorders.

2. Should considerable increases in material and labor costs occur between the conclusion of contract and the transfer of risk, the Supplier reserves the right to adjust the prices adequately.

3. Payments shall be made immediately when due in the effective currency specified on the invoice. Payments shall be made to the Supplier's account without any deductions and free of transaction charges.

If payment by letter of credit has been agreed upon, the Customer shall bear the costs of opening, notifying and confirming such letter.

4. Bills of exchange are generally not accepted, exceptions require prior written agreement.

5. Bills of exchange and cheques can only be accepted to facilitate payment; the costs of discounting and collection are borne by the Customer. The Supplier is not liable for any bills of exchange which are not presented in time or for any failure to have a bill of exchange protested.

6. Invoices are payable net within 30 days from the invoice date. The credit entry date on the Supplier's account is to be used as reference for determining the compliance with the above deadline. For payments by cheque, the date of the receipt of the cheque is considered to be the payment date.

7. If payment is not made within the deadline stipulated above, the Customer is deemed to be in default with payment. This entitles the Supplier to charge the applicable (statutory) interest for late payment and claim any additional damages resulting from the Customer's default.

8. The Customer is not entitled to retain payment due to counter-claims which have not been accepted by the Supplier. The Customer may only set off claims which are undisputed or non-appealable.

9. In case of reasonable doubt regarding the Customer's solvency, the Supplier reserves the right to demand an advance payment or an appropriate security. Applicable statutory provisions remain unaffected.

10. The minimum order value is 100, - EUR net.

### VI. Delivery Period and Place of Delivery

1. The delivery period shall be specified in calendar days

2. Times set for deliveries shall only be binding if all documents to be provided by the Customer, necessary permits and approvals, especially concerning plans, are received in time, if the Customer has made a possibly agreed advance payment and if it has fulfilled all other obligations of the Customer. If these conditions are not fulfilled in time, deadlines set shall be extended reasonably.

3. Unless agreed otherwise in writing, the Customer is not entitled to change the order after placement. If the parties agree on a change of the order, the delivery period will be extended reasonably.

4. Unless agreed otherwise, all deliveries are EXW relevant Supplier's plant (Incoterms 2020). The delivery period is observed when the goods being the subject matter of the order have left the factory or when the readiness for dispatch has been announced.

5. The delivery period shall be extended accordingly if the non-observance of the delivery period is due to:

- force majeure such as war, terror attacks, rebellion, strike, lockout
- virus attacks or other attacks on the Supplier's IT systems occurring despite appropriate protective measures

- legal hindrances attributable to applicable national (especially German, Swiss and US), EU or international rules of foreign trade law
- non-timely or incorrect delivery to the Supplier
- energy and/or raw material shortage
- difficulties with providing transport
- orders by authorities

or similar unforeseen circumstances for which the Supplier is not responsible.

This also applies if the circumstances occur at the Supplier's suppliers or subcontractors. The same applies in the event of a non-timely self-delivery by suppliers of the Supplier if the Supplier has concluded a congruent hedging transaction and is not obligated to procure in individual cases. The Supplier is also not responsible for the aforementioned circumstances if they occur during a delay that already exists. In such event, the Customer may neither withdraw from the contract, nor rescind the contract, nor claim damages or reimbursement of costs and expenses - regardless of their legal basis - incurred by the Customer. The Supplier will notify the Customer as soon as possible of the start and end of such obstacles.

6. If, under statutory requirements, the Customer is entitled to compensation due to a delay for which the Supplier is responsible, the Customer is entitled under the exclusion of further claims to demand compensation for delay as liquidated damages. For each full week of delay, the compensation for delay is 0.5%, in total, however, a maximum of 5% of the value of the part of the overall delivery that cannot be used in a timely manner or not in compliance with the contract due to the delay. However, the Supplier reserves the right to prove that the Customer suffered no loss at all or a significantly smaller loss. This Article VI. No. 6 does not apply in cases where the Supplier's liability is not excluded according to Article XI.

7. If the Customer is in arrears with acceptance, the Supplier is entitled

- to invoice the storage costs incurred by the Supplier from the delay in acceptance. In the event of storage at a plant of the Supplier, a lump-sum of 0.125% of the invoice amount applies for each week commenced unless the Customer can prove that the Supplier has incurred less damage;
- to set the Customer an appropriate deadline by which it has to accept the goods. If it does not do so, the Supplier can dispose over the goods otherwise. If a delivery deadline was agreed, this will be replaced by a new appropriate delivery deadline to be agreed.

Any further statutory rights of the Supplier shall remain unaffected.

8. Compliance with the delivery deadline/schedule requires the Customer to comply with its contractual obligations.

#### **VII. Transfer of Risk and Acceptance of Delivery**

1. The risk passes to the Customer at latest upon dispatch of the goods ex works. This applies also if the parties have agreed on partial delivery or further services or obligations by the Supplier, such as transportation or payment of shipment costs.

2. If the delivery is delayed due to circumstances for which the Customer is responsible, the risk passes to the Customer on the day, on which the relevant goods are ready for dispatch.

3. Delivered goods are to be accepted by the Customer even if they have minor quality defects. The Customer's remedies for quality defects shall remain unaffected.

#### **VIII. Installation and Assembly**

These General Terms and Conditions apply mutatis mutandis to any kind of installation or assembly services, unless the Supplier's separate Conditions of Installation and Assembly state otherwise.

#### **IX. Quality Defects of Goods and Services**

1. The Customer is obliged to inspect the goods for any defects or for compliance with the agreed product characteristics - if any - immediately upon delivery. The Customer is obliged to notify the

Supplier in writing without undue delay, however not later than seven days after delivery, of any apparent defects. Notifications of latent defects must be given within seven days after discovery of such defects. If the Customer does not comply with the aforementioned conditions, the goods shall be deemed accepted.

2. The warranty period is 12 months from the date of delivery according to Article VI No. 4 above. The warranty period for repaired or replaced parts commences anew and is 12 months from repair or replacement.

3. The Customer is obliged to give the Supplier an opportunity to investigate the Customer's complaints, in particular to make the defective goods and their packaging available for inspection. Refusal to do so shall release the Supplier from liability for quality defects.

4. The Supplier does not guarantee any product values or product condition, unless such product characteristics have been expressly referred to as "guaranteed product values" or "guaranteed condition" in the order confirmation. Warranties for product values or product condition - if any - are valid until the expiry of the warranty period. If the guaranteed condition or the guaranteed product values are not achieved or only partially achieved, the Customer may initially only demand rectification (repair or replacement of the affected goods) by the Supplier. The Customer is obliged to give the Supplier the necessary time and opportunity to carry out any rectification works.

5. Upon written request by the Customer, the Supplier shall - at its discretion - repair or replace within a reasonable period of time any goods which are proved to be defective or unusable due to defective material, faulty design or poor workmanship before expiry of the warranty period, provided the Customer has notified the Supplier of such defects during the warranty period and immediately after discovery of the defects. The Customer shall give the Supplier sufficient opportunity to carry out rectification works. Replaced goods become Supplier's property and have to be returned to the Supplier.

6. The Supplier bears all the costs of rectification at its premises. If, at the Customer's request, the rectification is carried out outside the Supplier's premises, the Customer bears all related costs, such as costs of transportation, labor costs, travel and accommodation expenses, (dis-)assembly and installation costs as well as taxes, levies and fees incurred outside of the Supplier's country. Any necessary (dis-)assembly/installation costs or travel and accommodation expenses resulting from or connected to unjustified defect notifications shall be borne by the Customer.

7. The Supplier is not liable for defects of appliances and devices which do not comply with the VDE regulations and which are manufactured on the Customer's special request.

8. There shall be no claims based on defects in cases of insignificant deviations from the agreed quality, of only minor impairment of usability or in case of defects caused by natural wear and tear or resulting from non-observance of the Supplier's instructions (in particular, without limitation, the instruction that HV products need to be installed by certified jointers holding a valid LAPP installation certificate), unsuitable or improper use, faulty or negligent handling, excessive strain, unsuitable equipment, defective civil works, inappropriate foundation soil, inappropriate installation, assembly or commissioning by the Customer or third parties, modifications carried out by the Customer or third parties, on defects resulting from non-reproducible software errors, chemical, electro-chemical, electrical or other external influences which are not assumed under the contract.

9. Claims for damages are governed by Article XI.

10. In the event of notification of a defect, the Customer may withhold payments to an amount that is in a reasonable proportion to the defect. The Customer, however, may withhold payments only if only if its notification of defect has been made in writing and it is justified and incontestable. The Customer has no right to withhold payments when

the warranty period has expired. Unjustified notifications of defects shall entitle the Supplier to demand reimbursement of its expenses by the Customer.

#### **X. Industrial Property Rights; Defects in Title**

1. The Supplier shall provide the goods free from third parties' industrial property rights (patents, utility models, designs, copyrights, database rights, rights in trademarks, trade names, invention disclosures) (hereinafter referred to as "IP Rights") with respect to the country of the place of delivery only.

If a third party asserts a justified claim against the Customer based on an infringement of an IP Right by the supplies made by the Supplier and used in conformity with the contract, the Supplier shall be liable to the Customer within the time period stipulated in Article IX No.2 as follows:

- a) The Supplier shall choose whether to acquire, at its own expense, the right to use the IP Rights with respect to the goods concerned or whether to modify the goods such that they no longer infringe the IP Rights or replace them. If this should be impossible for the Supplier under reasonable conditions, the Customer may rescind the contract or demand a price reduction pursuant to the applicable statutory provisions;
- b) The Supplier's liability for damages is governed by Article XI.
- c) The above obligations of the Supplier shall apply only if the Customer immediately notifies the Supplier of any such claim asserted by a third party in written form, does not concede the existence of an infringement to the third party, and leaves any protective measures and settlement negotiations to the Supplier's discretion. If the Customer stops using the goods in order to reduce the damage or for other good reason, it shall be obliged to point out to the third party that no acknowledgement of the alleged infringement may be inferred from the fact that the use has been discontinued.

2. The Customer's claims are excluded if it is responsible for the IP Right infringement.

3. The Customer's claims are also excluded if the IP Right infringement is caused by specifications made by the Customer, by a type of use not foreseeable by the Supplier or by the goods being modified by the Customer or being used together with products not provided by the Supplier.

4. Additionally, with respect to claims by the Customer according to No. 1a) above, Article IX Nos. 3, and 8 apply mutatis mutandis in the event of IP Rights infringement.

5. The provisions of Article IX apply mutatis mutandis to any other defects in title.

6. Any other claims of the Customer against the Supplier or its agents or any such claims exceeding the claims provided for in this Article X, based on a defect in title or IP Rights infringement, are excluded.

#### **XI. Liability**

1. The Supplier's liability for all claims by the Customer for damages or reimbursement of expenses or other costs arising out of or in connection with the contract or a breach thereof shall not exceed 50 % (in words: fifty percent) of the total net price per each individual case which gave rise to the claim and 100 % (in words: hundred percent) of the total net price in the aggregate.

All claims by the Customer for damages or reimbursement of expenses or other costs not affecting the goods and/or services provided by the Supplier, such as, but not limited to: loss of production, loss of use, loss of orders, loss of profit, claims by third parties, or claims for indirect or consequential damages are excluded, irrespective of the legal basis.

2. The liability for auxiliary persons of the Supplier is excluded.

3. Claims by the Customer arising out of or in connection with the contract or a breach thereof are expressly and exhaustively regulated by these Terms and Conditions. Other and further claims are excluded.

4. This limitation of liability shall not apply in the event of gross negligence or wilful intent by the Supplier. However, the liability for auxiliary persons is governed by No. 2 above.

#### **XII. Rescission of Contract, Impossibility of Performance**

1. If it comes to the Supplier's knowledge after conclusion of the purchase contract that an attempted seizure of the Customer's assets was unsuccessful or if the Supplier obtains information of equal concern that the Customer's assets have deteriorated, the Supplier is entitled to demand securities or to rescind the contract and charge the Customer for the expenses the Supplier incurred. Any further statutory rights of the Supplier remain unaffected.

2. Where unforeseen events substantially change the economic importance or the contents of the supplies or considerably affect the performance of contract by the Supplier, or if the performance of the contract shall become totally or partially impossible, the contract shall be adapted reasonably. To the extent this is not justifiable for economic reasons, the Supplier shall have the right to rescind the contract. If the Supplier intends to exercise its right to rescind the contract, it shall notify the Customer thereof without undue delay after having realized the repercussions of the event; this shall also apply even where an extension of the delivery period has previously been agreed with the Customer. Upon rescission of contract the Customer shall pay to the Supplier the value of the delivered goods and/or already provided services. The Customer's claims for damages or reimbursement of expenses and other costs incurred by the Customer are excluded.

3. To the extent that delivery is impossible, the Customer is entitled to claim damages, unless the Supplier is not responsible for the impossibility. The Customer's claim for damages is, however, limited to an amount of 10 % of the value of the part of the goods which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in the case of liability based on intent, gross negligence, death or personal injury; this does not imply a change in the burden of proof to the detriment of the Customer. The Customer's right to rescind the contract shall remain unaffected.

#### **XIII. Retention of Title**

1. The Supplier retains title to all goods delivered until the full payment of the purchase price and all outstanding amounts resulting from the business relationship.

2. The Customer is entitled to resale in the usual course of business. For the event of further assignment of the goods, the Customer already now assigns all claims against the purchaser to the Supplier. The Supplier accepts these assignments. If the retained goods are sold on together with other items and no individual price has been agreed with respect to the retained goods, the Customer shall assign to the Supplier such fraction of the total price claim as is attributable to the price of the retained goods invoiced by the Supplier.

3. If payment is made by cheque or bill of exchange, the Supplier retains title to the goods until the cheque has been cashed or until the expiry of liability on the part of the Supplier arising from the bill of exchange including a claim to bill of exchange enrichment.

4. The pledging or assignment as security of goods subject to retention of title is not permitted; in the event of pledging, seizure or similar interventions by third parties, the Supplier is to be notified immediately. If a reasonable interest can be proven, the Customer shall, without undue delay, provide the Supplier with the information and/or documents necessary to assert the claims it has against third parties.

5. Neither the filing of retention of title nor the pledging of goods by the Supplier is deemed to be a rescission or termination of the contract.

6. The Supplier undertakes, at the Customer's request, to release the securities to which the Supplier is entitled pursuant to clauses XIII.1 and XIII.2 if their realizable value exceeds the receivables to be secured by 20 %. The Supplier shall be entitled to choose which security interest it wishes to release.

7. In the event of default in payment, the Customer is obliged to surrender the goods subject to retention of title, even if the Supplier does not rescind or terminate the contract. For this case, the Customer hereby permits the Supplier irrevocably to collect the goods under retention of title immediately and to enter its business and warehouse premises without hindrance for this purpose. After taking back the goods under retention of title, the Supplier is entitled to utilize them as it so wishes. The proceeds from utilization shall be credited to the liability of the Customer less appropriate utilization costs.

#### **XIV. Conditional Performance**

1. The performance of this contract is conditional upon that no hindrances attributable to applicable national (especially German, Swiss or US), EU or international rules of foreign trade law or any embargos or other sanctions exist.

2. The Customer shall provide any information and documents required for export, shipment and import purposes.

#### **XV. Jurisdiction and Venue**

The sole jurisdiction and venue for all disputes arising directly or indirectly out of the contract shall be the Supplier's place of business. This also applies for international transactions. However, the Supplier may also bring an action at the Customer's place of business.

#### **XVI. Applicable Law**

The parties expressly agree that the contract is subject to Swiss law. However, the application of the Convention on Contracts for the International Sale of Goods dated April 11, 1980 (CISG) is excluded.

#### **XVII. Severability**

The legal invalidity of one or more provisions of these Terms and Conditions in no way affects the validity of the remaining provisions.