

GENERAL TERMS AND CONDITIONS OF PURCHASE

Hennecke Machinery (Shanghai) Ltd. / December 2024

1. General scope of application

- 1.1 These General Terms and Conditions of Purchase of Hennecke China (including all Hennecke's subsidiaries, affiliates and branches in China, hereinafter referred to as "Customer" or "We") apply to all business relations with 'all legal entities (hereinafter referred to as "Supplier"). The General Terms and Conditions of Purchase, as amended from time to time, also apply as a framework agreement to future contracts for the sale and/or delivery of goods concluded with the Supplier, without our having to refer to them again in each particular case. These General Terms and Conditions of Purchase together with future purchase documents, including but not limited to, the effective purchase orders, the purchase contracts, the supplemental agreements and the appendix, constitute the Purchase Agreement (hereinafter collectively referred to as the "Agreement") between the parties.
- 1.2 Contrary or supplementary terms and conditions of the Supplier become part of the Agreement only if and to the extent the customer has expressly agreed to their applicability.
- 1.3 Any deviation and/or supplementary agreement to this General Terms and Conditions must be made in writing and needs to be negotiated individually. This also applies to written form requirement itself.

2. Offer and conclusion of agreement

- 2.1 In preparing the offer, the Supplier shall adhere precisely to the specifics of the inquiry and in the event of any deviation the Supplier is to expressly notify the customer of any such deviation. Quotations bind the Supplier for at least 60 working days and may be accepted by the customer at any time during this period.
- 2.2 Our orders are freely revocable by the Customer until such time as the order is confirmed or, in the absence of an order confirmation, until the time of delivery. The Supplier shall confirm our order placement no later than 5 working days upon receipt of the order by means of a written order confirmation or by delivery. A late order confirmation with a deviating delivery date is deemed to be a new offer and requires Customer's confirmation.
- 2.3 Accurately compliance with the specifications referred to in the purchase order, applicable standards and laws, the accepted state of the art, and the quality of the delivery items are essential obligations of the supplier hereunder. Any and all obligations arising from the Agreement are to be discharged by the Supplier. The commissioning of subcontractors for manufacturing is permissible only with our prior written consent.

3. Amendments, modifications and additions

- 3.1 The Customer may at any time, at its equitable discretion, request reasonable amendments, modifications and additions of the order until such time as the delivered item has been delivered (in the case of work and service agreements: until acceptance). The Supplier is obligated to propose amendments and modifications which it deems necessary and expedient for a successful fulfilment and performance of the Agreement. Upon receipt of the Customer's written consent, the Supplier shall perform such amendments and modifications.
- 3.2 To the extent an amendment or modification involves an increase or decrease in costs and/or implies that deadlines can no longer be met, the Supplier must notify the customer of such circumstances right away when submitting an amendment / modification proposal or promptly upon receipt of the Customer's amendment/modification request. Compensation is to be adjusted commensurate with the cost modifications.

4. Delivery and delivery delay

- 4.1 Unless otherwise agreed by the parties in writing, shipping shall be dispatched at the Supplier's risk and costs (DDP according to Incoterms 2020 at the place of delivery). The Supplier shall insure the transportation risks at its own account through a suitable insurance policy and shall furnish proof of insurance for inspection upon the Customer's demand. In case the freight costs are to be borne by Customer by special agreement, the Supplier must

select the shipping mode affording the most favorable shipping rates. Place of delivery shall be the receiving location as indicated by the Customer. Risk of the goods shall not pass to the Customer until the goods arrive at the place of delivery and the Customer accepts the delivery.

- 4.2 Unless expressly agreed otherwise, the Supplier is not entitled to effect partial performance. If, nevertheless, partial performance is rendered, the Customer may rescind the entire Agreement.
- 4.3 Unless otherwise expressly agreed, the delivery times and periods specified by the Customer are binding. If the Supplier becomes aware of any circumstances that would lead to the conclusion that a risk of delivery delay exists, the Supplier shall notify the Customer of this fact without undue delay. Under such circumstances, it does not affect the customer's claim for delivery delay (see Clause 4.5 of this Agreement). The Supplier bears the procurement risk for its performance, unless otherwise agreed in individual cases.
- 4.4 Compliance with the agreed delivery periods and dates is dependent on the receipt of all the subject matter (delivery item) in conformity with the Agreement at the place of delivery as specified by the Customer, and subject to the time of receipt of the last qualified good by the Customer at the designated place of delivery in case of defects in the goods to be rectified and remedied; in the case of deliveries involving setup, assembly or other services requiring acceptance, the date of their acceptance shall apply.
- 4.5 In the event of delivery delays, the Customer may demand, in respect thereof – in addition to further legal claims – liquidated damages in an amount of 0.1% of the order value for each completed delayed day. Liquidated damages may be deducted and offset from the Customer's outstanding payment. If the delay exceeds 30 days, the Customer is entitled to terminate the Agreement in whole or in part, and the Customer has the right to claim for compensation from the Supplier for further damages caused by the late delivery, in addition to the liquidated damages the Supplier is obliged to pay for the delay. The Supplier may furnish proof that the Customer suffered lesser damages. The above situation excludes the delivery delay caused by the customer
- 4.6 The Supplier is authorized to exercise its right of retention only insofar as its counterclaim is based on the same contractual relationship or on an undisputed claim or a claim that is recognized by declaratory judgment. The Supplier may only offset with undisputed counterclaims or with counterclaims recognized by declaratory judgment.
- 4.7 The Customer's complete order numbers and article numbers must be documented on the delivery notes, shipping advice, and waybills.
- 4.8 The Supplier shall send a detailed shipping advice, separate from the goods and the invoice to the Customer for each individual consignment at least 3 working days prior to shipping. The date of receipt of the shipping advice at the Customer site is decisive. The delivery note and packaging slip are to be attached to the delivery. In the event of shipment by sea, the name of the shipping company and the ship are to be specified in the shipping documents and invoices. If a system or equipment is knocked down into components or is delivered in more than one component, these components are to be labelled and are to be positioned and described in the delivery note in accordance with the labels.
- 4.9 Tools and setup equipment shall not be loaded together with the delivery items, otherwise the Supplier shall bear the costs of reloading. Any consignments the Customer does not accept due to non-compliance with these shipping provisions will be stored at the Supplier's expense and risk. The Customer is authorized to inspect and determine the content and condition of such consignments. The Supplier is also liable for its subcontractors' compliance with the shipping provisions. The Supplier is liable to the Customer for damages suffered and costs incurred by the Customer due to Supplier's non-compliance with any of the above terms and conditions.

4.10 The title to patterns, dies, jigs / fixtures and other tools invoiced in full or in part to the Customer will pass to the customer at the time these items are delivered to the Customer.

5. Price and payment

5.1 Unless otherwise agreed by the parties in writing, the agreed prices are fixed prices. All prices include packaging, insurance, shipping and all other ancillary costs required to perform the agreement, whether VAT is included shall be subject to the specific purchase order or agreement.

5.2 The shipment date, the Customer's order number, article numbers and Customer's Value Added Tax ID Number are to be noted on invoices and credits. Invoices must correspond to the order's delivery items description, sequence and prices. Any excess or short deliveries / services shall, as a rule, be itemized separately.

5.3 The Supplier shall deliver the goods according to the requirements of the Customer's purchase order. Unless otherwise agreed by the parties in writing, Customer shall pay the total price of such order to Supplier upon receipt of all products under such order and final acceptance, as well as the receipt of VAT invoice of 100% value of such order issued by the Supplier and verified by the Customer (The payment cycle shall be carried out according to the order of both parties) . In case of national tax reform during the period when the order being processed, the net value of the order remains unchanged.

5.4 If the Customer receives the delivery item or invoice prior to the agreed delivery date, the payment period shall commence no sooner than the agreed delivery date, even if customer accepts the early delivery. If a service contract is concluded between the parties, date of delivery is replaced by date of acceptance.

6. Warranty

6.1 The Supplier shall deliver the goods free of quality defects and defects in title. Unless otherwise agreed by the parties in writing, the general limitation period for warranty claims is 24 months, starting from the date of final acceptance of the goods by the Customer, but shall in no case exceed 3 years from the date of delivery to the Customer. Longer statutory limitation periods shall not be affected thereby. If the goods are delivered to the end user, the Supplier shall assist the Customer in providing timely maintenance and repair service during the warranty period to the end user according to the Customer's notification or request. The Supplier shall be liable for all costs and damages caused to the Customer or the end user due to the Supplier's failure to respond in a timely manner and its negligence in fulfilling its warranty responsibilities.

6.2 After receiving the goods delivered by the Supplier, the Customer's duty to inspect goods delivered from the Supplier upon their receipt is limited to apparent defects in aspects, including the quantities, specifications, packing, appearance and delivery documents etc. Delivery shall be deemed to be confirmed by the Customer only after passing the receiving inspection. The receiving inspection shall not be regarded as the final acceptance of the goods, and the commissioning and final acceptance of the goods shall be subject to the acceptance certificate issued by the Customer.

6.3 Any defects must be timely remedied by the Supplier for free within the period specified by the Customer, at the customer's choice, including repair, replacement or supplement shipping. If the method of remedies chosen by the Customer proves unfeasible, the Supplier may cure the defect in another manner reasonably acceptable to the Customer. If the Supplier fails to carry out the remedies within the reasonable time given, or if the remedies still do not meet the requirements, the Customer shall be entitled to terminate the Agreement in whole or in part upon notice and without prejudice to any further rights and claims the Customer may have, even if the Customer is unable to return the goods in the same condition as they were received.

6.4 The Customer produces machinery for the manufacture of industrial goods. If defective parts provided by the Supplier are used in the manufacture of such machinery so that a defective machine is obtained, the Customer may become liable vis-à-vis its end users for consequential damages, e.g., loss of production,

product rejects, product recalls, damage to property, and personal injury. The Supplier shall be liable for all damages caused to the Customer or its end users due to the quality issue of the supplied goods. The supplier has the duty to cover its risk of liability through an insurance policy and to furnish proof of such coverage to the customer upon request. However, the fact that the Supplier carries the insurance does not exempt the Supplier from liability for the quality issues or any defects of the goods, and the Customer shall be entitled to directly claim compensation for all damages from the Supplier.

7. Provision of materials

7.1 All materials provided by the Customer remain the property of the Customer and are to be stored, labelled and administered separately by the Supplier at no charge. The materials may only be utilized to fulfil the Customer's orders. Any remaining material after fulfilment of the order shall be promptly returned to the customer and shall not be retained, reproduced or sold by the Supplier without authorization. The Supplier bears the risk in the event of loss, destruction or deterioration of the materials supplied by the Customer.

7.2 The materials supplied by the customer are processed or transformed for the customer. The parties agree that the customer becomes the (joint) owner of the new or transformed object. The supplier stores the new object for the customer at its own expense (free of charge), and with the due care of a prudent businessman.

8. Customer and supplier documents, confidentiality and intellectual property

8.1 The Customer retains all titles and copyrights to images, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents are to be used exclusively in the performance of the Agreement. The Supplier shall not process the documents, such as reproduction, retention, license, disclosure, etc. other than for purposes of the Agreement. The documents shall be returned to the Customer upon fulfilment of the Agreement. The documents that cannot be returned should be completely deleted or destroyed with a proof provided to the Customer.

8.2 Any documents, materials and information received from the Customer shall be confidential information and the Supplier shall be under strict obligation of confidentiality and shall not disclose the confidential information to any third party or use them for any purpose other than that of the Agreement; this requirement shall survive the termination of the Agreement for any reason. The Supplier shall ensure that the Supplier's personnel (including current or former employees, managers, consultants, etc.) are subject to equivalent confidentiality obligations and shall be liable for any breach of confidentiality by such personnel. If the knowledge of information contained in the documents provided becomes public information.

8.3 The supplier may only refer to business relationships with the Customer (e.g., in an advertisement) or use or display the Customer's logo after having received the Customer's prior written consent.

8.4 Drawings and all documents required by the Customer for the setup, operation, maintenance, inspection or repair of the delivery items shall be provided by the Supplier free of charge in due time, and without being solicited. This also applies to the required conformity and manufacturer declarations.

8.5 The Supplier shall request the customer's company standards and specifications and guidelines, to the extent they have not yet been provided.

8.6 The Supplier guarantees that the goods and services delivered does not infringe the intellectual property rights of any third party. responsibilities suspected of infringing the intellectual property rights of a third party, resulting in the Customer or end users being held legally liable (including but not limited to being prosecuted, third-party claims, fines, etc.), the Supplier shall cooperate with legal proceedings and bear all responsibilities; if the goods delivered by the Supplier to the Customer is seized, detained or imposed other administrative or judicial measures, which prevents the Customer from installing or using the products or delivering the products to the end users as planned, the Supplier shall indemnify the Customer for all the damages suffered as a result,

including the end user's claims. If the Customer is thus required to participate in legal proceedings such as lawsuits, investigations, etc., the Supplier shall compensate for all costs including but not limited to attorney's fees, notary's fees, traveling fees, appraisal fees, etc., paid by the Customer as a result of responding to such legal proceedings.

9. Documentation

9.1 Documentation shall be provided in file form, stating the Customer's purchase and/or order number, at the latest with delivery. Files up to 5 MB may be e-mailed to the address documentation@hennecke-china.com, larger files are to be saved to data carrier and sent by postal service. The documentation is to be provided in English or in the language specified in the order, if so requested. The documentation must include the following information:

- Operating Instructions according to EU Machine Directive 2006/42/EC, including Repair Instruction(s) in .pdf or .doc file formats (no scans);
- Lubrication and Maintenance Schedules in pdf or .doc file formats (no scans);
- Schematic diagrams (hydraulic/pneumatic) in .pdf + MI (ME10), or .dxf file formats;
- Drawings (including manufacturing drawings) and bills of material with unique identifiers for each individual component
- Identification /labelling of spare and wearing parts, stating their manufacturer and complete type description, more specifically including the unique order description. File format for drawings: .pdf and MI (ME10), .dxf or STEP, SAT (in the case of 3-dimensional renderings); file format for bills of material: .xls or .doc;
- Electrical circuit diagrams, set-up plans and terminal schemes according to VDE in the following file formats: E-plan or pdf; including bills of material stating the manufacturer and complete type description for all items in the following file formats: .xls or .doc;
- For printers: documentation according to the Printer Directive 97/23/EC;
- Spare parts offer (mechanical and electrical).

10. Tests or inspections

10.1 Where tests or inspections are envisaged for the delivery items, the Customer and Supplier shall bear their respective incurred material and personnel inspection costs themselves. The Supplier shall send the customer a binding notice at least 10 days in advance the delivery items are ready for testing and shall schedule an inspection date with the Customer. If a delivery item is not presented on this date, the Customer's material and personnel costs shall be borne by the Supplier.

10.2 Any necessary material certificates for primary materials are to be prepared at the Supplier's expense and shall be provided to the Customer at the latest with the delivery item itself.

10.3 If any defects are identified during goods receipt inspections which give rise to the conclusion that the delivered products need to be remedied by the Supplier, the Supplier shall bear the associated costs of the repeat quality assurance measures to be performed by the Customer (repeat of the good receipt inspection etc.) in the amount of the Customer's actual repeated inspection hours multiplied by the Customer's inspection hourly rate per notice of defects. This provision shall not affect any additional claims the Customer may have. The Supplier may furnish proof of lesser damage and the Customer may furnish proof of greater damage.

11. Reservation of title

Unless otherwise agreed by the parties in writing, all forms of extended or prolonged reservation of title are excluded. The title of the goods pass to the Customer upon arrival of the goods at the place of delivery.

12. Code of Conduct for suppliers

The supplier undertakes to comply with the principles and requirements set out in the Customers Code of Conduct. The Code of Conduct is an integral part of the General Terms and Conditions of Purchase and can be viewed at <https://www.hennecke.com/en/company/code-of-conduct>. In the event of violations of these principles, the Customer reserves the right to take appropriate measures.

13. Governing law and dispute resolution

Unless expressly agreed otherwise, the governing law of this Contract is laws of People's Republic of China (excluding Hongkong, Macao and Taiwan). Disputes arisen from or in relation to the Agreement should be solved by friendly negotiation. In case the dispute cannot be settled through friendly negotiation, the dispute shall be submitted for arbitration to the Shanghai International Economic and Trade Arbitration Commission for arbitration. The decision rendered by the said Commission shall be final and binding upon both parties. The language of arbitration is Chinese.