General Terms and Conditions of Purchase

for purchase and work contracts
of the Hotset GmbH
Status July 2026

§ 1 General provisions – Scope of application

(1) Any supplies and performances required by us are exclusively governed by the present Terms and Conditions of Purchase, regardless of the respective underlying legal relationship; we do not accept, without our express written consent, any conflicting or diverging terms and conditions of supplier. Our Terms and Conditions of Purchase also apply in the case that we take or accept, without any reservations, delivery from supplier although we are well aware of such conflicting or diverging terms and conditions of supplier.

(2) Any agreement entered into by and between us and the contractor – the latter being hereinafter referred to as “supplier”, regardless of the respective underlying legal relationship – for performing the contract must be made in text form (“Textform”) at least.

(3) Our Terms and Conditions of Purchase solely apply towards businessmen in terms of § 13 BGB (Bürgerliches Gesetzbuch – German Civil Code).

(4) Any quotes, technical projects, preliminary studies etc. will be prepared by supplier at no expense to us and do not involve any commitment on our part to place the respective order with supplier.

§ 2 Verification and acceptance of the order, effects of acceptance, bidding documents

(1) Supplier is obliged to accept our purchase order within a period of one week by confirming any order details as specified in § 3 para. (3). Such acceptance is preferably to be made by signing our purchase order. With acceptance of our order, supplier confirms to have inspected any available documentation, records, drawings and plans for making himself familiar with the nature and scope of the requested performance.

(2) We retain title and copyright with regard to any illustrations, drawings, calculations, samples, models, trademarks, designs and any other documents whatsoever; such illustrations, drawings, calculations, samples, models, trademarks, designs and any other documents whatsoever must not be made available to any third party without our express written consent and may only be used for the purpose of producing the requirements specified in our order and must be returned to us without request after completion of performance of such order. Further, they must be kept secret towards any third parties; § 9 para (4) applies in addition hereto.

(3) In the case of any obvious errors, mistakes, clerical or calculation errors in the documents, drawings and plans made available by us, we will not be committed or liable in any way. Supplier is obliged to notify us of any such errors or mistakes so as to enable us to correct and replace our order. The same applies in the case of any lacking documents or drawings.

(4) The supplier shall comply, within the respective applicable scope, in particular with the following documents, laws, regulations and standards:
(a) the specification of services and/or the functional specification provided by the customer
(b) the applicable regulations on the restriction of hazardous substances, in particular:
a. directive 2011/65/EU (RoHS), including its amendments, as well as
b. its national implementation (e.g. ElektroStoffV)
(c) the relevant DIN- and DIN-EN-standards
(d) the applicable VDE-regulations, insofar as electrical or electronic products are concerned
(e) requirements arising from legally or contractually required inspections, approvals or certifications (e.g. by TÜV or comparable bodies)
(f) the German Product Safety Act (ProdSG) as well as any other applicable European harmonisation legislation
(g) regulation (EC) No. 1907/2006 (REACH), in particular the current SVHC Candidate List and the resulting information and notification obligations
(h) Regulation (EU) 2017/821 on due diligence obligations in the supply chain for conflict minerals (tin, tantalum, tungsten and gold), including the provision of corresponding supplier declarations, in particular using the latest version of the Conflict Minerals Reporting Template (CMRT)

In the event of contradictions between the aforementioned documents, the customer's specification of services or functional specification shall take precedence.
The supplier shall be obliged to immediately clarify any identified or suspected contradictions or ambiguities with the customer, but no later than prior to the start of execution.

§ 3 Prices - Terms of payment - Prohibition of assignment

(1) The price shown in the purchase order is binding. Unless otherwise agreed in text form ("Text-form"), the price is inclusive of free delivery and packaging. The right to return any packaging is subject to explicit agreement, unless such right is already provided for in the "Verpackungs-VO" (German Packaging Regulations).

(2) Supplier must issue and provide us with a separate invoice for each order; each invoice must be provided in duplicate. The invoices must not be enclosed with the consignment. We may only handle the invoices if they show the purchase order number indicated in the purchase order; supplier will be responsible for any consequences arising from the non-compliance with the aforesaid requirements, save in the case that supplier is able to prove that such consequences are not attributable to him.

(3) Payment will be effected 14 days after receipt of the invoice, less 3 % discount or, respectively, within 60 days net.

As to any invoices relating to construction work, the period for payment/discount period will not run from receipt of the invoice but from the date of inspection/acceptance by the architect or our specialist department.

(4) We are entitled to set-off and retention if and to the extent that this is permitted by law.

(5) Supplier must not, without our consent, assign any accounts receivable from us to a third party. This applies except for any assignment on the occasion of a business-usual extended reservation of title or, respectively, on the occasion of a factoring agreement.

§ 4 Time of delivery

(1) The delivery time stated in the order is binding. The goods must be received at the place of receipt specified by us within the delivery period or on the delivery date.

(2) The supplier is obliged to inform us in writing without delay if circumstances arise or become apparent to him which indicate that the stipulated delivery time cannot be met.

(3) In the event of a delay in delivery, we shall be entitled to the statutory claims. In particular, we shall be entitled to claim damages instead of performance under the statutory conditions.

(4) In the event of a delay in delivery, we shall be entitled, after issuing a reminder and without prejudice to our statutory rights (see paragraph (3) above), to demand a contractual penalty of 0.5% of the net order value per week or part thereof, up to a maximum of 5% of the net order value and/or the delivery, and/or to withdraw from the contract. A forfeited and paid contractual penalty shall be offset against a claim for damages.

(5) We are not obliged to accept delivery before the delivery date.

§ 5 Transfer of risk - documents

(1) Unless otherwise agreed in text form, delivery shall be made free domicile. The risk of accidental loss or accidental deterioration shall be borne by the supplier until receipt of the goods by us.

(2) The supplier is obliged to state our order number exactly on all shipping documents and delivery notes; if he fails to do so, we are not responsible for delays in processing.

(3) Hotset is a SVS/RVS prohibited customer.

§ 6 Inspection for Defects - Liability for Defects - Limitation Period

(1) Unless an individual quality management agreement exists, the supplier shall inspect the delivered goods for compliance with the contractual properties prior to delivery and, if individually agreed, record the condition of the delivered goods in an outgoing works certificate. Our incoming goods inspection is limited to checking the identity of the goods, the quantity delivered and the presence of transport damage and obvious defects. Further inspections of the delivered goods shall only take place within the framework of our quality management system as quality controls accompanying production. Due to this handling, the supplier waives the right to complain about insufficient or delayed incoming goods inspection in accordance with § 377 HGB (German Commercial Code). A complaint is timely if it is received by the supplier within a period of 10 working days, calculated from receipt of goods or, in the case of non-obvious defects, from discovery.

(2) In the event of defects and/or other performance by the supplier in breach of contract, we shall be entitled to the full statutory remedies.

(3) In exceptional cases in which there is imminent danger or a particular urgency which, taking into account the interests of both parties, does not permit the setting of a deadline for subsequent

performance, we shall be entitled, after informing the supplier in advance, to carry out subsequent performance ourselves at the supplier's expense.

(4) Insofar as our products are construction products within the meaning of § 438 para. 1 no. 2 BGB (German Civil Code), they are subject to the mandatory 5-year warranty. For this reason, the warranty for the product manufactured by the supplier or for the order carried out by him shall end with the expiry of 63 months after delivery to or acceptance by us, unless the law provides for a longer limitation period or suspension of expiry. Otherwise, all claims arising from performance in breach of contract shall become statute-barred within the statutory periods.

(5) Hotset is entitled to convince itself of the quality of the products and the processes of the supplier within the scope of product audits. Insofar as necessary, employees of our customers are also to be admitted to these product audits.

§ 7 Product liability – Indemnity – Liability insurance

(1) The supplier shall bear full responsibility for the product delivered by him in accordance with the German Equipment and Product Safety Act (GPSG). If measures are required in accordance with the GSPG or ordered by the authorities, the supplier shall indemnify us against the costs if and insofar as the cause lies in his product.

(2) Insofar as the supplier is responsible for product damage, it shall be obliged to indemnify us against claims for damages by third parties upon first request insofar as the cause lies within its sphere of control and organisation and it would itself be directly liable in the external relationship.

(3) Within the scope of his liability for cases of damage within the meaning of paragraphs (1) and (2), the supplier shall also be obliged to reimburse any expenses pursuant to §§ 683, 670 BGB (German Civil Code) and §§ 830, 840, 426 BGB (German Civil Code) arising from or in connection with a recall action carried out by us or ordered by the authorities. We shall inform the supplier about the content and scope of the recall/search measures to be carried out - as far as possible and reasonable - and give him the opportunity to comment. Other legal claims remain unaffected.

(4) The supplier undertakes to maintain product liability insurance with an appropriate sum insured for personal injury/property damage; if we are entitled to further claims for damages, these shall remain unaffected.

§ 8 Protective rights

(1) Subject to paragraph (5), the Supplier warrants that no industrial property rights of third parties are infringed within the EEA in connection with its delivery. EEA states are infringed in connection with his delivery.

(2) If claims are asserted against us or our customers by a third party of this half, the supplier shall be obliged to indemnify us against these claims upon first written request; we shall not be entitled to make any agreements with the third party - without the supplier's consent - in particular to conclude a settlement.

(3) The supplier's indemnification obligation relates to all expenses necessarily incurred by us from or in connection with the claim by a third party.

(4) The limitation period is ten years, calculated from the conclusion of the contract.

(5) Paragraphs (1) to (4) above shall not apply insofar as the supplier has manufactured the delivered goods according to drawings, models or other descriptions or instructions equivalent thereto provided by us and does not know or cannot know in connection with the products manufactured by him that industrial property rights are thereby infringed.

§ 9 Retention of title – Provision of material – Tools – Secrecy

(1) Insofar as we provide material or semi-finished products to the supplier, we shall retain ownership thereof. It must be stored separately as such and may only be used for our orders. The supplier shall be liable for any reduction in value or loss even if he is not at fault. Processing or transformation by the supplier shall be carried out for us. If our goods subject to retention of title are processed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our item (purchase price plus VAT) to the other processed items at the time of processing.

(2) If the item provided by us is inseparably mixed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of the item subject to retention of title (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the supplier's item is to be regarded as the main item, the supplier shall transfer co-ownership to us on a pro rata basis; the supplier shall hold the sole ownership or co-ownership in safe custody for us.

(3) We retain title to tools; the supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The supplier is obliged to insure the tools belonging to us at replacement value against fire, water and theft damage at his own expense. At the same time, the supplier hereby assigns to us all claims for compensation arising from this insurance;
we hereby accept the assignment. The supplier is obliged to carry out any necessary maintenance and inspection work on our tools as well as all maintenance and repair work at his own expense and in good time. He shall notify us immediately of any malfunctions; if he culpably fails to do so, claims for damages shall remain unaffected.

(4) The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The obligation to maintain secrecy shall also apply after the execution of this contract; it shall expire if and to the extent that the production knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known.

(5) Insofar as the security rights to which we are entitled in accordance with paragraph (1) and/or paragraph (2) exceed the purchase price of all our goods subject to retention of title which have not yet been paid for by more than 10 %, we shall be entitled to demand that the security rights be transferred to us.
We are obliged to release the security interests at our discretion at the request of the supplier.

§ 10 Working in our factory

(1) Persons who enter our factory areas in fulfilment of a supply contract are subject to the are subject to the provisions of our plant regulations.

(2) We shall only be liable for any accidents or damage in the event of intent or gross negligence on the part of our senior employees.
or gross negligence on the part of our executive employees.

§ 11 Place of jurisdiction – Place of performance (“Erfüllungsort”) – Applicable law

(1) If the supplier is a merchant, the place of jurisdiction shall be the court having subject-matter and local jurisdiction for Lüdenscheid; however, we shall also be entitled to sue the supplier at its general place of jurisdiction.

(2) Unless otherwise stated in the order, Lüdenscheid shall be the place of performance.

(3) If the supplier is domiciled abroad, the business relationship shall be governed by German law to the exclusion of the
German law, to the exclusion of the United Nations Convention on Contracts for the on the International Sale of Goods.

§ 12 Data protection clause

For the term of the business relationship including initiation and performance period, any data relating to supplier will be stored and processed in an automated file. We do hereby give first notice hereof to supplier. Statutory legitimation: § 28, § 33 Bundesdatenschutzgesetz (German Federal Data Protection Act).