General Terms of Sale

Production of Parts in the USA

Version October 2024

Reading time 12 minutes

This document is written in plain language.

Preamble

These Terms and Conditions of Sale ("**GTS**") apply to the production of parts according to Customer requirements (hereinafter referred to as **"PRODUCTS"**) by STIWA US INC. (Business Division Machining US; hereinafter referred to as **"SUPPLIER"**).

If the Customer itself uses General Terms and Conditions (for example, Terms and Conditions of Purchase), these are hereby excluded. The GTS are the framework for all future sales and contracts. It doesn't need to be referenced each time.

These conditions are available for download under https://www.stiwa.com/en/manufacturing/documents/gts

1. Supplier's Performance

1.1. Conclusion of Contract

1.1.1. Offers are valid for 3 months from the date of the offer. If a different validity period is specified in the offer, it applies. Offers without a specific period are not binding, unless marked as such.

Process:
1 | Offer
2 | Order
3 | Confirmation of the order
= Contract Conclusion

1.1.2. If the Customer orders based on the offer, the contract is concluded at the moment when the SUPPLIER issues an order confirmation. The SUPPLIERS offer should be decisive for the content of the contract.

1.1.3. If the Customer places an order late, the SUPPLIER can decide whether to accept it anyway. In case of necessary date or price adjustments, the SUPPLIER will submit a new offer instead.

1.1.4. The contract, including the GTS, is the entire agreement between the Customer and SUPPLIER.

1.1.5. Any oral agreements made before the written contract is signed are not legally binding and are replaced by the written contract unless otherwise agreed.

1.1.6. These GTS are the complete and final statement of the agreement between the Customer and the SUPPLIER, unless otherwise agreed to in writing by the SUPPLIER. The Customer may accept, approve, or fill an order or amendment orally or in writing. However, any resulting contract and the SUPPLIER's liabilities or obligations will be determined by the GTS. The SUPPLIER may object to any terms or conditions in the Customer's purchase order or other document. In every instance, the GTS set forth the liabilities or obligations of the SUPPLIER.

1.2. Production of the Products

1.2.1. The SUPPLIER manufactures the PRODUCTS according to the Customer's specifications. The Customer is responsible for ensuring that these specifications are correct (see point 2). The SUPPLIER shall notify the Customer if the PRODUCT cannot technically be manufactured in accordance with these specifications.

The central specification is the Customer's production drawing.

1.2.2. If specified by the Customer, the Customer is responsible for the concept, the design, the manufacturing process used or the production process and the construction of the PRODUCTS. If the SUPPLIER determines such content independently and alone, the SUPPLIER is also responsible for it (see also point 1.7.6).

1.2.3. The SUPPLIER shall provide its services in accordance with the generally recognized rules of technology. He uses qualified personnel and professional machines for this purpose. In doing so, it shall take into account the technical and legal requirements applicable to the location of the SUPPLIER's

manufacturing plant. Other requirements must be agreed in writing prior to commissioning.

1.2.4. The SUPPLIER may also commission others to perform the services (= subcontractors). In this case, the SUPPLIER remains responsible to the Customer for compliance with the agreements. If the Customer specifies or participates in the selection of a particular subcontractor, this will be taken into account in the responsibility.

Subcontractor/ Subcontractors are generally permitted.

1.3. Accompanying Services

1.3.1. The SUPPLIER can also take over the constructive design of the Product or support the Customer in this. This requires a separate agreement.

1.4. Delivery of the Products

1.4.1. The delivery conditions are determined by the specific agreement between the parties. If there is no other agreement, the following applies:

a) Deliveries are made FCA [place of shipment according to offer] Incoterms® 2020. If no place of dispatch has been agreed, the place of the manufacturing plant of the SUPPLIER shall be deemed agreed.

b) The SUPPLIER may complete and execute the transport at the risk and expense of the Customer (A4 rule Incoterms® 2020).

c) The SUPPLIER shall prepare the PRODUCTS for shipment as agreed. If there is no special agreement on this, it is made a simple and appropriate packaging (for example, carton and bubble wrap).

1.4.2. Deliveries of goods area always accompanied by a delivery note. On it is indicated, among other things, the quantity and the article designation.

1.4.3. The SUPPLIER shall give advance notice of deliveries that do not contain all ordered PRODUCTS (partial deliveries).

1.5. Dates

1.5.1. Only those dates that have been expressly agreed as such are binding. If a delivery period has been agreed upon, its term begins with the conclusion of the contract.

Agreed dates are binding.

1.5.2. The time of handover at the place of handover according to the agreed Incoterms® is decisive for meeting the deadline.

1.5.3. The SUPPLIER shall notify the Customer if the compliance with the deadline is at risk. He will explain the circumstances in detail and give new dates.

1.5.4. It may be that the cooperation of the Customer is required for the performance of service. If a delay occurs due to lack of coordination by the Customer, the affected dates should be extended by a reasonable period of time.

The Customer must fulfill agreed obligations to cooperate on time.

1.6. Liability for Defects upon Handover (Warranty)

1.6.1. The SUPPLIER must hand over the PRODUCTS to the Customer free of defects in workmanship and materials. A defect exists if the agreed specifications of the PRODUCT are not present. A defect also exists only if it occurs under intended operating conditions and during proper use of the PRODUCT.

Free of defects means, that the PRODUCTS must have the agreed properties at the time of handover.

A defect exists, for example, if actual dimensions are outside the dimension specifications (incl. tolerance).

1.6.2. The Customer is not obliged to perform a complete incoming goods inspection of the PRODUCTS. However, he must check deliveries of PRODUCTS for quantity, identity and visible transport damage. Such defects shall be notified to the SUPPLIER within a period of 10 calender days from handover. If such defects are not reported in due time, they can no longer be claimed.

1.6.3. The period for claiming defects is 24 months from the date of handover.

1.6.4. If a defect is claimed within the first 6 months from handover, the SUPPLIER must prove that the PRODUCT was free of defects at the time of handover. After 6 months from handover, the Customer must prove this. In case of corrosion or contamination of the PRODUCTS, the Customer must generally prove these were present at the time of handover.

1.6.5. The Customer shall, upon request, send the Product that he claims is defective to the SUPPLIER for analysis. The SUPPLIER shall immediately analyze whether a defect for which he is responsible exists and is covered by warranty. The Customer has to cooperate in this according section 2.

1.6.6. If a defect can actually be proven, the SUPPLIER may decide whether he wants

a) to remedy the defect by improvement (for example by rework) or

b) to replace the defective PRODUCTS (to replace them with new PRODUCTS).

c) If the defect is so essential, that the Customer cannot reasonably be expected to improve or replace it, he may

d) demand a price reduction or

e) rescind the contract.

This also applies if the SUPPLIER fails several times to remedy the defect.

1.6.7. In general, the SUPPLIER is not responsible for defects based on provided material (point 2.2.2) or specifications of the Customer and in the event that the Customer requests assistance from the SUPPLIER in formulating suggestions regarding the design, construction, or composition of molded parts.

1.6.8. Any guarantee or risk of procurement by SUPPLIER must be in writing.

1.6.9. ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES OF MERCHANTABILITY AND/OR WARRANTIES OF FITNESS FOR A GENERAL OR PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED BY THE SUPPLIER.

1.7. Liability for Compensation

1.7.1. CUSTOMER AND THIRD PARTIES ARE NOT ENTITLED TO ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INCIDENTAL DAMAGES. THIS LIMITATION WILL BE ENFORCED EVEN IF SUPPLIER HAS BROKEN HIS WARRANTY OR OTHER OBLIGATIONS, OR IF THE WARRANTY DOES NOT WORK. IF THE LAW SAYS YOU CAN'T LIMIT OR RESTRICT THE RIGHT OF THE CUSTOMER OR A THIRD PARTY TO DAMAGES, IT WON'T AFFECT THE RIGHT OF THE SUPPLIER TO INDEMNIFICATION. CUSTOMER CAN'T RECOVER MORE THAN THE PURCHASE PRICE. SUPPLIER IS NOT LIABLE FOR ANY CLAIMS RELATED TO NON-DELIVERY, POOR PERFORMANCE, NON-CONFORMING GOODS, OR OTHER ISSUES.

1.7.2. The parties shall be liable to each other for damage caused by gross negligence and intent in accordance with the statutory provisions.

1.7.3. Liability of the parties for minor negligence is excluded. The parties shall also not be liable to each other for indirect or consequential damages, such as production downtime or loss of profit. This shall not apply in the case of statutory liability for damages (for example, for personal injury, in case of product liability or in case of gross or intentional fault).

1.7.4. If the SUPPLIER culpably fails to meet agreed deadlines, he must compensate the Customer for his direct disadvantages resulting from the delay. Likewise, the Customer may claim his costs incurred due to a failure to notify under point 1.5.3. SUPPLIER is not liable if he cannot perform due to circumstances beyond his control. This includes, but is not limited to operational disruptions, fire, natural disasters, weather, flooding, war, uprisings, terrorism, transportation delays, strikes, labor shortages, energy or raw material shortages, and delays resulting from the granting of any necessary official permits, terrorism, transportation delays, strikes, lockouts, labor shortages, energy or raw material shortages, delays resulting from the granting of any necessary permits, measures of any authority/sovereign, or prohibitions,…

1.7.5. When determining the amount of the claims for compensation to be met by the SUPPLIER, the economic circumstances of the party liable for compensation, the type, scope and duration of the business relationship shall be taken into account. Likewise, any causation and/or fault contributions of the other party are to be included. A particularly unfavorable installation situation of the PRODUCTS is at the expense of the person who carries out the installation. In general, compensation, costs and expenses must be in reasonable proportion to the value of the PRODUCTS.

1.7.6. If the Customer has released design drawings or other documents for production to the SUPPLIER, the Customer is solely responsible for the suitability in the intended area of application and for possible disadvantages.

1.7.7. The Customer is liable for ensuring that the PRODUCTS can be manufactured without unauthorized interference with the rights of third parties. He shall compensate the SUPPLIER for all resulting disadvantages.

1.7.8. In certain cases, the customer may be deemed to be the primary or indirect cause of injury or damage, resulting in claims against the SUPPLIER. In such a case, Customer shall indemnify and hold SUPPLIER harmless from any and all third party claims, damages and (including reasonable attorneys' fees) under theories of tort, product liability, negligence (ordinary or gross),

warranty (ordinary or gross), contract, statute or otherwise arising out of the manufacture, use, storage, sale, processing or other manufacture, use, storage, sale, processing or other disposition of the goods, supplies or materials used in connection with the goods or parts thereof.

1.7.9. In the event that the Customer fails to comply with his obligations, the Customer shall indemnify and save the SUPPLIER from any liability or obligation incurred by the SUPPLIER to persons injured directly or indirectly in connection with the operation of the PRODUCTS. Furthermore, all warranties of the SUPPLIER shall become automatically void.

2. Requirements and cooperation obligations

2.1. Design Drawing

2.1.1. The Customer shall provide the SUPPLIER with a drawing and/or any other technical documentation. These documents must contain all information necessary for the manufacture of the PRODUCTS. Design drawings can also be subsequently modified by mutual agreement (for example, by the Customer releasing an adaptation to the SUPPLIER, initially without changing the existing drawing itself - "red pencil drawing"). The Customer retains ownership of his documents. The SUPPLIER may only use these documents only for cooperation.

The drawing must originate from the Customer or to be approved by him.

2.1.2. If, as agreed, the Customer does not provide a final design drawing, he will inform and support the SUPPLIER to the best of his ability.

2.1.3. If the SUPPLIER has (co-)designed the Product, the design must finally be approved by the Customer. The release shall be deemed granted at the least upon the first acceptance of the delivery.

2.2. Provision

2.2.1. of tools and devices

The parties shall regulate separately in writing if tools or devices are provided.

2.2.2. of materials

a) The parties may agree that the Customer shall provide materials to the SUPPLIER. In such cases, an appropriate material reserve (for example, for offcuts and rejects) must be planned. The parties will coordinate on this.

b) The Customer is responsible for provided materials with regard to the selection and the necessary properties (quality). The SUPPLIER shall notify the Customer of obvious defects in materials provided. The SUPPLIER should have no further (inspection) obligation.

2.3. Information regarding product safety

2.4. The parties shall inform each other in the event of incidents concerning the PRODUCTS (for example, incidents relating to product safety law) or if the Customer intends to carry out measures relevant to product safety laws of or against the Customer in connection with SUPPLIER'S PRODUCTS such measures (e.g., report to market monitoring authorities).

2.5. In the event that the Customer deems a recall to be legally required and, in whole or in part, to be the result of defects in the PRODUCTS, the Customer shall provide the SUPPLIER with prompt written notice, maintain continuous and transparent communication with the SUPPLIER, and collaborate with the SUPPLIER on the necessary recall actions.

3. Consideration of the Customer

3.1. Price

3.1.1. The price of the PRODUCTS shall be agreed between the parties in writing. If no agreement is made, the price stated in the SUPPLIER's offer shall apply. Unless otherwise stated, all prices are net prices excluding statutory value-added tax and other possible charges of any kind (e.g. taxes, customs, duties).

3.1.2. If the share of material costs in the price is known, this share is to be understood as a variable price (share). A (commodity) index of an objectively justified independent body shall be used as the basis for price conversion. Depending on the material used, this is, for example, for

⚠ *Material costs are subject to price escalation.*

a) Non-ferrous metals: the London Metal Exchange Index (LME-Index), published at https://www.lme.com/en/Metals/Non-ferrous and for

b) Steel: the MEPS-Index, published at https://mepsinternational.com/gb/en/prices-and-indices

The price basis is the day of the offer date, unless otherwise stated. Fluctuations of +/- 3 % are not taken into account. The SUPPLIER is entitled to invoice the material costs according to the rates of change (percentage change of the relevant index between the price base and the concrete material order by the SUPPLIER).

3.1.3. The price escalation clause applies generally and also to fixed price offers. It shall only not apply if it has been excluded in writing (for example with the wording “price escalation clause for material costs is excluded”).

3.1.4. In the event of significant changes in prices affecting the manufacture of the PRODUCTS, the parties will enter into discussions on the level of prices of the PRODUCTS. A material change is when production costs (consisting of material and manufacturing costs; such as for raw materials, energy or wages) change by more than 10% between the time of offer preparation and the time of delivery.

3.2. Material releases

3.2.1. The Customer can release the SUPPLIER to procure certain quantities of (raw) material. If the SUPPLIER undertakes (interim) storage in this case, this shall be free of charge and under normal storage conditions unless otherwise agreed. After a period of 1 year from storage, the SUPPLIER may charge reasonable (storage) costs. The SUPPLIER is also entitled to terminate the storage after prior notice (return to the Customer or disposal). The Customer bears the risk of this safekeeping.

Released material must be paid by the Customer.

3.2.2. The SUPPLIER uses the material procured in this way for the Customer’s PRODUCTS. Released material, which is not needed for whatever reason, must be paid by the Customer. If larger quantities of material are not required, the SUPPLIER shall, at the Customer’s request, endeavor to use this material elsewhere. If this is possible, the Customer only has to pay the differential costs.

3.3. Terms of payment

3.3.1. Invoices are due for payment in full (without deductions) within 14 calender days of the invoice date.

3.3.2. The Customer may only set off any claims of his own against claims of the SUPPLIER if this has been agreed in writing.

3.3.3. In the event of a delay in payment, the statutory interest on arrears shall apply. In the event of a qualified delay in payment, the SUPPLIER shall be entitled to withhold further deliveries.

3.3.4. All costs for transfers must be borne by the Customer (free of charge transfer). The Customer must also bear all costs incurred by payment in a currency other than the agreed currency.

3.3.5. The Customer shall also pay any applicable statutory sales tax and any other applicable statutory charges of any kind (for example, taxes, customs duties, fees).

3.4. Retention of title

The PRODUCTS remain the property of the SUPPLIER until full payment of the price.

3.5. Export Controls

3.5.1. Customer shall strictly comply with all applicable, European Union ("EU"), United States of America ("US") and any other applicable export control and sanction laws and regulations ("Export Control Regulations").

3.5.2. Customer shall provide SUPPLIER with advance notice and all information (including end use) necessary for us to comply with export control regulations in the event that PRODUCTS that are specifically ordered for use in connection with in connection with any country or territory, person or entity subject to restrictions or prohibitions under the EU, US or other applicable export control and sanctions regulations; or the design, development, production or use of military or nuclear goods, chemical or biological weapons, missiles, space logical weapons, missile, space or aircraft applications or means of transportation.

3.5.3. Without prior authorization from the relevant US governmental authorities and subject to any applicable anti-boycott regulations, it is not permitted to use the PRODUCTS in any country or territory that is subject to restrictions or sanctions imposed by the US government or any person or entity on any sanction list maintained by the US government. Customer therefor shall PRODUCTS

a) not supply or export, sell or transfer, directly or indirectly, to any country or territory that is subject to any restrictions or sanctions of the US government or to any person or entity on any sanction list maintained by the U.S. government;

b) not use in any country or territory that is subject to any restrictions or sanctions of the US government maintained by the U.S. government; and

c) not make accessible to any person or entity on any sanction list.

4. General provision

4.1. Secrecy

4.1.1. As long as the parties have not concluded a non-disclosure agreement, the following provision shall apply.

4.1.2. The parties may not disclose confidential information to anyone else. Each party will do your best to ensure that only absolutely necessary people have access to confidential information.

4.2. Force majeure

Force majeure, labor disputes, riots, official measures, pandemics or epidemics and other unforeseeable, unavoidable and serious events shall release the parties from their performance obligations for the duration of the disruption and to the extent of their effect. This shall also apply if these events occur at a time when the contractual partner concerned is in default. The parties are obliged to provide the necessary information without delay within the bounds of what is reasonable and to adjust their obligations to the changed circumstances in good faith and trust.

4.3. Data Protection

4.3.1. When processing personal data from the European Union or the European Economic Area, the parties shall comply with the principles of the General Data Protection Regulation (GDPR) 2016/679 of the European Parliament and of the Council of 27 April 2016 and the national laws relevant to data protection. In the event of inconsistencies between the GDPR and local legislation, the parties undertake to apply the higher level of protection in each case, irrespective of whether this results from the GDPR or national legislation.

4.3.2. Employees entrusted with the processing of personal data must be obliged in writing to maintain confidentiality.

4.3.3. The parties agree that in connection with all processing activities of personal data, the supervisory authority responsible for data protection matters for the respective company affected by this contract shall be determined. If a parties has its registered office in a third country subject to data protection law (= States outside the European Union or the European Economic Area), the parties hereby expressly submits to any binding decision of this supervisory authority.

4.3.4. The parties shall keep a record of processing activities (cf. Art. 30 GDPR) and make it available to the other parties upon request.

4.3.5. The privacy policy and further information on the processing of personal data of the SUPPLIER are made available at https://www.stiwa.com/en/data-protection.

5. Final provisions

5.1. Any changes or amendments to this GTS or its annexes must be made in writing. This also includes any changes to the written form requirement proper.

5.2. In the event that individual provisions of this GTS are or become invalid or unenforceable in whole or in part, the validity of the remaining provisions will not be affected.

5.3. Place of performance shall be the location from which SUPPLIER undertake the delivery of the PRODUCTS.

5.4. These GTS will be construed and governed in accordance with the laws of South Carolina, excluding (a) the United Nations Convention on Agreements for the International Sale of Goods of 11.03.1980 (UN sales law, CISG) and (b) all non-mandatory conflict of law rules of international private law, and shall be interpreted in accordance therewith.

5.5. All disputes or claims arising from or in connection with this GTS will be settled by the court have jurisdiction for the SUPPLIERS's registered office.