

#### **General terms and conditions**

## § 1 Scope of application, form

- (1) These General Terms and Conditions of Sale (GTCS) apply to all our business relationships with our customers ("Buyer"). The GTCS shall only apply if the Buyer is an entrepreneur (Section 14 of the German Civil Code (BGB)), a legal entity under public law or a special fund under public law.
- (2) The GTCS apply in particular to contracts for the sale and/or delivery of movable goods ("Goods"), irrespective of whether we manufacture the Goods ourselves or purchase them from suppliers (Sections 433, 650 BGB). Unless otherwise agreed, the GTCS in the version valid at the time of the Buyer's order or in any case in the version last communicated to him in text form shall also apply as a framework agreement for similar future contracts without us having to refer to them again in each individual case.
- (3) Our GTC shall apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Buyer shall only become part of the contract if and to the extent that we have expressly agreed to their validity. This requirement of consent shall apply in any case, for example, even if the Buyer refers to his General Terms and Conditions in the context of the order and we do not expressly object to them.
- (4) Individual agreements (e.g. framework supply agreements, quality assurance agreements) and information in our order confirmation shall take precedence over the GTCS. In case of doubt, commercial clauses shall be interpreted in accordance with the Incoterms® issued by the International Chamber of Commerce in Paris (ICC) in the version valid at the time of conclusion of the contract.
- (5) Legally relevant declarations and notifications by the Buyer in relation to the contract (e.g. setting of deadlines, notification of defects, withdrawal or reduction) must be made in writing. Written form within the meaning of these GTCS includes written and text form (e.g. letter, e-mail, fax). Statutory formal requirements and further evidence, in particular in the event of doubts about the legitimacy of the declaring party, remain unaffected.
- (6) References to the validity of statutory provisions are for clarification purposes only. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these GTCS.





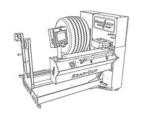
### § 2 Conclusion of contract

- (1) Our offers are subject to change and non-binding. This shall also apply if we have provided the Buyer with catalogs, technical documentation (e.g. drawings, plans, calculations, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to which we reserve ownership rights and copyrights.
- (2) The order of the goods by the Buyer shall be deemed a binding contractual offer. Unless otherwise stated in the order, we are entitled to accept this contractual offer within 14 days of its receipt by us.
- (3) Acceptance can be declared either in writing (e.g. by order confirmation) or by delivery of the goods to the Buyer.

# § 3 Delivery period and delay in delivery

- (1) The delivery period shall be agreed individually or specified by us upon acceptance of the order. If this is not the case, the delivery period is approx. 4 month from conclusion of the contract.
- (2) If we are unable to meet binding delivery deadlines for reasons for which we are not responsible (non-availability of the service), we shall inform the Buyer of this immediately and at the same time inform the Buyer of the expected new delivery deadline. If the service is also not available within the new delivery period, we shall be entitled to withdraw from the contract in whole or in part; we shall immediately reimburse any consideration already paid by the Buyer. Non-availability of the service exists, for example, in the event of late delivery by our suppliers, if we have concluded a congruent hedging transaction, in the event of other disruptions in the supply chain, for example due to force majeure or if we are not obliged to procure in individual cases.





- (3) The occurrence of our delay in delivery shall be determined in accordance with the statutory provisions. In any case, however, a reminder by the Buyer is required. If we are in default of delivery, the Buyer may demand lump-sum compensation for the damage caused by the delay. The lump-sum compensation shall amount to 0.5% of the net price (delivery value) for each completed calendar week of delay, up to a maximum of 5% of the delivery value of the goods delivered late. We reserve the right to prove that the buyer has not suffered any damage or only significantly less damage than the above lump sum.
- (4) The rights of the Buyer pursuant to § 8 of these GTCS and our statutory rights, in particular in the event of an exclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance), shall remain unaffected.

# § 4 Delivery, transfer of risk, acceptance, default of acceptance

- (1) Delivery shall be ex warehouse, which is also the place of performance for the delivery and any subsequent performance. At the Buyer's request and expense, the goods shall be shipped to another destination (sale to destination). Unless otherwise agreed, we are entitled to determine the type of shipment (in particular transport company, shipping route, packaging) ourselves. The ordered goods are generally delivered without special protective devices. The buyer has the option of ordering such protective devices separately from us at his own expense. The costs of packaging shall be invoiced additionally. Special packaging shall remain the property of the Supplier and shall be charged at rental rates on the basis of cost price; it must be returned to the Supplier immediately and carriage paid.
- (2) The risk of accidental loss and accidental deterioration of the goods shall pass to the Buyer at the latest upon handover. In the case of sale by dispatch, however, the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay shall already pass upon delivery of the goods to the forwarding agent, the carrier or the person or institution otherwise designated to carry out the shipment. If acceptance has been agreed, this shall be decisive for the transfer of risk. The statutory provisions of the law on contracts for work and services shall also apply accordingly to any agreed acceptance. If the Buyer is in default of acceptance, this shall be deemed equivalent to handover or acceptance.





(3) If the Buyer is in default of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which the Buyer is responsible, we shall be entitled to demand compensation for the resulting damage including additional expenses (e.g. storage costs). For this purpose, we shall charge a lump-sum compensation based on the purchase price of 0.5% per calendar week up to a maximum total of 10% in the event of final non-acceptance, beginning with the delivery deadline or - in the absence of a delivery deadline - with the notification that the goods are ready for dispatch. The lump sum shall not exceed the damage to be expected in the normal course of events.

Proof of higher damages and our statutory claims (in particular reimbursement of additional expenses, reasonable compensation, termination) shall remain unaffected; however, the lump sum shall be offset against further monetary claims. The Buyer shall be entitled to prove that we have incurred no loss at all or only a significantly lower loss than the above lump sum.

## § 5 Prices and terms of payment

(1) Unless otherwise agreed in individual cases, our current prices at the time of conclusion of the contract shall apply, ex warehouse, plus statutory VAT.

If the Supplier is responsible for installation or assembly and unless otherwise agreed, the Customer shall bear all necessary ancillary costs such as travel expenses, costs for the transportation of hand tools and personal luggage as well as allowances in addition to the agreed remuneration.

- (2) In the case of sale by delivery to a place other than the place of performance (§ 4 para. 1), the Buyer shall bear the transport costs ex warehouse and the costs of any transport insurance requested by the Buyer. Any customs duties, fees, taxes and other public charges shall be borne by the Buyer.
- (3) 15% down payment of the purchase price is due 14 days after receipt of the order confirmation. The remaining purchase price is due and payable within 14 days of invoicing and delivery or acceptance of the goods. However, we are entitled at any time, even within the framework of an ongoing business relationship, to make a delivery in whole or in part only against advance payment. We shall declare a corresponding reservation at the latest with the order confirmation.





- (4) The Buyer shall be in default upon expiry of the above payment period. During the period of default, interest shall be charged on the purchase price at the applicable statutory default interest rate. We reserve the right to claim further damages caused by default. Our claim to commercial maturity interest (§ 353 HGB) against merchants remains unaffected.
- (5) The Buyer shall only be entitled to rights of set-off or retention to the extent that his claim has been legally established or is undisputed. In the event of defects in the delivery, the Buyer's counter-rights shall remain unaffected, in particular pursuant to § 7 para. 6 sentence 2 of these GTCS.
- (6) If it becomes apparent after conclusion of the contract (e.g. through an application for the opening of insolvency proceedings) that our claim to the purchase price is jeopardized by the Buyer's inability to pay, we shall be entitled to refuse performance in accordance with the statutory provisions and if necessary after setting a deadline to withdraw from the contract (Section 321 BGB). In the case of contracts for the manufacture of non-fungible goods (custom-made products), we may declare our withdrawal immediately; the statutory provisions on the dispensability of setting a deadline shall remain unaffected.

### § 6 Retention of title

- (1) We reserve title to the goods sold until full payment of all our present and future claims arising from the purchase contract and an ongoing business relationship (secured claims).
- (2) The goods subject to retention of title may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The buyer must inform us immediately in writing if an application for the opening of insolvency proceedings is filed or if third parties seize the goods belonging to us (e.g. seizures).
- (3) If the Buyer acts in breach of contract, in particular in the event of non-payment of the purchase price due, the rental payment or the leasing payment, we shall be entitled to withdraw from the contract in accordance with the statutory provisions and/or to demand the return of the goods on the basis of the retention of title. The demand for the return of the goods does not at the same time include the declaration of withdrawal; we are rather entitled to merely demand the return of the goods and reserve the right to withdraw from the contract. Furthermore





we are entitled to put the goods out of operation and switch them off by remote maintenance. If the buyer does not pay the purchase price, the rental payment or the leasing payment due, we may only assert these rights if we have previously set the buyer a reasonable deadline for payment without success or if such a deadline is dispensable according to the statutory provisions.

- (4) Until revoked in accordance with (c) below, the Buyer is authorized to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition.
- (a) The retention of title shall extend to the full value of the products resulting from the processing, mixing or combining of our goods, whereby we shall be deemed to be the manufacturer. If, in the event of processing, mixing or combining with goods of third parties, their right of ownership remains, we shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. In all other respects, the same shall apply to the resulting product as to the goods delivered under retention of title.
- (b) The Buyer hereby assigns to us as security the claims against third parties arising from the resale of the goods or the product in total or in the amount of our possible co-ownership share in accordance with the above paragraph. We accept the assignment. The obligations of the buyer mentioned in paragraph 2 shall also apply in consideration of the assigned claims.
- (c) The Buyer shall remain authorized to collect the claim in addition to us. We undertake not to collect the claim as long as the buyer meets his payment obligations to us, there is no deficiency in his ability to pay and we do not assert the retention of title by exercising a right in accordance with paragraph 3. If this is the case, however, we can demand that the buyer informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment. In this case, we are also entitled to revoke the buyer's authorization to resell and process the goods subject to retention of title.
- (d) If the realizable value of the securities exceeds our claims by more than 10%, we shall release securities of our choice at the buyer's request.

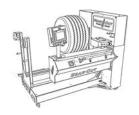




# § 7 Claims for defects of the buyer

- (1) The statutory provisions shall apply to the rights of the Buyer in the event of material defects and defects of title (including incorrect and short delivery as well as improper assembly/installation or defective instructions), unless otherwise specified below. In all cases, the statutory provisions on the sale of consumer goods (§§ 474 ff. BGB) and the rights of the Buyer arising from separately issued guarantees, in particular on the part of the manufacturer, shall remain unaffected.
- (2) The basis of our liability for defects is above all the agreement reached on the quality and intended use of the goods (including accessories and instructions), such as, for example, that the Bear-Cut may only be operated with the special blades "Bear-Blades" intended for this purpose. All product descriptions and manufacturer's specifications that are the subject of the individual contract or were made public by us (in particular in catalogs or on our Internet homepage) at the time of the conclusion of the contract shall be deemed to be an agreement on quality in this sense. Insofar as the quality has not been agreed, it shall be assessed in accordance with the statutory provisions whether a defect exists or not (Section 434 (3) BGB). Public statements made by the manufacturer or on its behalf, in particular in advertising or on the label of the goods, shall take precedence over statements made by other third parties.
- (3) In the case of goods with digital elements or other digital content, we shall only be obliged to provide and, if applicable, update the digital content insofar as this expressly results from a quality agreement in accordance with para. 2. In this respect, we assume no liability for public statements made by the manufacturer or other third parties.
- (4) In principle, we shall not be liable for defects which the Buyer is aware of or is grossly negligent in not being aware of when the contract is concluded (Section 442 BGB). Furthermore, the Buyer's claims for defects presuppose that he has complied with his statutory inspection and notification obligations (§§ 377, 381 HGB). In the case of building materials and other goods intended for installation or other further processing, an inspection must always be carried out immediately prior to processing. If a defect is discovered during delivery, inspection or at any later time, we must be notified immediately in writing. In any case, obvious defects must be reported to us within 5 working days of delivery and defects





defects not recognizable during the inspection within the same period from discovery. If the buyer fails to carry out the proper

inspection and/or notification of defects, our liability for the defect not notified or not notified in good time or not notified properly shall be excluded in accordance with the statutory provisions. In the case of goods intended for assembly, mounting or installation, this shall also apply if the defect only became apparent after the corresponding processing as a result of a breach of one of these obligations; in this case, in particular, the Buyer shall have no claims for reimbursement of corresponding costs ("removal and installation costs").

- (5) If the delivered item is defective, we may initially choose whether to provide subsequent performance by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery). If the type of subsequent performance chosen by us is unreasonable for the buyer in the individual case, he may reject it. Our right to refuse subsequent performance under the statutory conditions remains unaffected.
- (6) We are entitled to make the subsequent performance owed dependent on the Buyer paying the purchase price due. However, the Buyer shall be entitled to retain a reasonable portion of the purchase price in proportion to the defect.
- (7) The Buyer shall give us the time and opportunity required for the subsequent performance owed, in particular to hand over the rejected goods for inspection purposes. In the event of a replacement delivery, the Buyer shall return the defective item to us at our request in accordance with the statutory provisions; however, the Buyer shall not be entitled to return the item. Subsequent performance shall not include the dismantling, removal or de-installation of the defective item or the installation, attachment or installation of a defect-free item if we were not originally obliged to perform these services; the Buyer's claims for reimbursement of corresponding costs ("dismantling and installation costs") shall remain unaffected.





- (8) We shall bear or reimburse the expenses necessary for the purpose of inspection and subsequent performance, in particular transport, travel, labor and material costs and, if applicable, dismantling and installation costs, in accordance with the statutory provisions and these GTCS, if a defect actually exists. Otherwise, we may demand reimbursement from the Buyer for the costs incurred as a result of the unjustified request to remedy the defect if the Buyer knew or could have recognized that there was in fact no defect.
- (9) In urgent cases, e.g. if operational safety is jeopardized or to prevent disproportionate damage, the Buyer shall have the right to remedy the defect himself and to demand compensation from us for the expenses objectively required for this purpose. We must be notified immediately, if possible in advance, of any such selfremedy. The right of self-remedy does not exist if we would be entitled to refuse a corresponding subsequent performance in accordance with the statutory provisions.
- (10) If a reasonable deadline to be set by the Buyer for subsequent performance has expired unsuccessfully or is dispensable in accordance with the statutory provisions, the Buyer may withdraw from the purchase contract or reduce the purchase price in accordance with the statutory provisions. In the case of an insignificant defect, however, there is no right of withdrawal.
- (11) Claims of the Buyer for reimbursement of expenses pursuant to § 445a para. 1 BGB are excluded, unless the last contract in the supply chain is a consumer goods purchase (§§ 478, 474 BGB) or a consumer contract for the provision of digital products (§§ 445c sentence 2, 327 para. 5, 327u BGB). Claims of the buyer for damages or reimbursement of futile expenses (§ 284 BGB) shall only exist in accordance with the following §§ 8 and 9, even if the goods are defective.

### § 8 Other liability

- (1) Unless otherwise stated in these GTCS, including the following provisions, we shall be liable in the event of a breach of contractual and non-contractual obligations in accordance with the statutory provisions.
- (2) We shall be liable for damages irrespective of the legal grounds within the scope of fault-based liability in cases of intent and gross negligence. In the event of simple negligence, we shall only be liable, subject to statutory limitations of liability (e.g. care in our own affairs; insignificant breach of duty), for



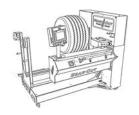


- a) for damages resulting from injury to life, body or health,
- b) for damages arising from the breach of an essential contractual obligation (an obligation whose fulfillment is essential for the proper execution of the contract and on whose compliance the contractual partner regularly relies and may rely); in this case, however, our liability is limited to compensation for foreseeable, typically occurring damages.
- (3) The limitations of liability resulting from paragraph 2 shall also apply to third parties and in the event of breaches of duty by persons (including in their favor) whose fault we are responsible for in accordance with statutory provisions. They shall not apply if a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the Buyer under the Product Liability Act.
- (4) The Buyer may only withdraw from or terminate the contract due to a breach of duty that does not consist of a defect if we are responsible for the breach of duty. A free right of termination of the Buyer (in particular according to §§ 650, 648 BGB) is excluded. In all other respects, the statutory requirements and legal consequences shall apply.
- (5) The operator of the Bear-Cut is advised that a final inspection of the cutting results and the tire is required. After each use of the Bear-Cut, it is the operator's duty to carry out a thorough check of the cutting results and the condition of the tire.
- (6) The operator of the Bear-Cut is responsible for any damage to the tire or resulting consequential damage caused by improper handling of the Bear-Cut. It is the responsibility of the operator to use the Bear-Cut properly and to ensure that it is used exclusively for its intended purpose. Any damage or consequential damage caused by improper handling is the full responsibility and liability of the operator. Compliance with the regrooving instructions of the respective tire manufacturer is essential.

#### § 9 Statute of limitations

(1) Notwithstanding § 438 para. 1 no. 3 BGB, the general limitation period for claims arising from material defects and defects of title shall be one year from delivery. If acceptance has been agreed, the limitation period shall commence upon acceptance.





- (2) If the goods are a building or an item that has been used for a building in accordance with its normal use and has caused its defectiveness (building material), the limitation period shall be 5 years from delivery in accordance with the statutory regulation (§ 438 para. 1 no. 2 BGB). Other special statutory provisions on the limitation period remain unaffected (in particular § 438 Para. 1 No. 1, Para. 3, §§ 444, 445b BGB).
- (3) The above limitation periods of the sales law shall also apply to contractual and non-contractual claims for damages of the buyer based on a defect of the goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in individual cases. Para.78 Claims for damages of the buyer pursuant to § 8 para. 2 sentence 1 and sentence 2(a) as well as pursuant to the Product Liability Act shall become statute-barred exclusively in accordance with the statutory limitation periods.

## § 10 Choice of law and place of jurisdiction

- (1) These GTCS and the contractual relationship between us and the Buyer shall be governed by the law of the Federal Republic of Germany to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.
- (2) If the buyer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive also international place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be our registered office in 48619 Heek. The same applies if the buyer is an entrepreneur within the meaning of § 14 BGB. However, in all cases we shall also be entitled to bring an action at the place of performance of the delivery obligation in accordance with these GTCS or an overriding individual agreement or at the Buyer's general place of jurisdiction. Overriding statutory provisions, in particular regarding exclusive jurisdiction, shall remain unaffected.

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