

# GENERAL TERMS AND CONDITIONS OF PURCHASE

As of: June 2023

## Section 1 Scope

(1) These General Terms and Conditions of Purchase ("GTC") apply to all business relationships of SANY Europe GmbH ("SANY") with its business partners and suppliers ("Supplier"), in particular to all contracts for the sale and/or delivery of movable goods ("goods"), regardless of whether the supplier manufactures the goods itself or purchases them from subcontractors, as well as all orders and orders for the provision of services. These GTC shall only apply if the Supplier is an entrepreneur (Sec. 14 German Civil Code), a legal entity under public law or a special fund under public law.

(2) Unless otherwise agreed, the GTC shall apply in the version valid at the time of the order by SANY or in any case in the version last notified to the Supplier in text form also as a framework agreement for similar future contracts without SANY having to refer to them again in each individual case.

(3) These GTC shall apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Supplier shall become part of the contract only if and to the extent that SANY has expressly consented to their application in writing. This requirement of consent shall apply in any case, for example even if the Supplier refers to its general terms and conditions within the scope of the order confirmation and SANY does not expressly object thereto; furthermore, they shall not become valid by the fact that SANY - even in knowledge of the Supplier's terms and conditions - accepts the delivery or make payments without further reservation.

(4) If reference to Incoterms is made in contractual agreements, the Incoterms 2020 shall apply.

(5) SANY and the Supplier agree that the deliveries to SANY may be intended for use by SANY itself and its affiliated companies within the meaning of Sec. 15 German Stock Corporation Act (*AktG*) and that the companies affiliated with SANY within the meaning of Sec. 15 German Stock Corporation Act (*AktG*) which use the respective deliveries are also included in the scope of protection of the contract between SANY and the Supplier (with regard to the Supplier's obligations to protect and perform).

(6) Legally relevant declarations and notifications by the Supplier with regard to the contract (e.g. setting of deadlines, reminders, withdrawal) must be made in writing. Written form within the meaning of these GTC includes written and text form (e.g. letter, e-mail, fax). Legal formal requirements and further proofs, in particular in case of doubts about the legitimacy of the declaring party, shall remain unaffected.

(7) References to the applicability of statutory provisions shall only have a clarifying significance. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these GTC.

## Section 2 Conclusion of contact

(1) Offers made by the Supplier shall be at no cost to SANY and shall be binding on the Supplier. The Supplier's offers shall be based on the exact quantities and condition of goods as specified in SANY's requests for quotation and shall expressly point out any deviations therefrom, obvious errors (e.g. spelling or calculation errors) and incompleteness of the order (including the order documents) for the purpose of correction or completion before acceptance; otherwise the contract is deemed to be not concluded.

(2) No orders or agreements are binding unless SANY issues or confirms them in writing, via facsimile or e-mail. Should any orders or agreements be made orally or by telephone, SANY must confirm them in writing for them to become binding, as must any oral ancillary agreements or amendments to the contract. The same shall also apply to any deliveries or services that are additionally agreed. SANY's silence to suggestions, requests, etc. made by the Supplier shall by no means be interpreted as consent to the Supplier's suggestion.

(3) Any of SANY's orders that the Supplier wishes to accept needs to be confirmed by the Supplier in writing. If SANY does not receive such order confirmation within two weeks after receipt of the order by the Supplier, it is considered a new offer which requires acceptance by SANY. In case of informal initiation of business, SANY's written order shall qualify as a commercial letter of confirmation.

(4) SANY does not recognise any order confirmations that vary from its order, even if SANY has not rejected them in writing.

(5) SANY may demand that changes to the delivery item/delivery date from the Supplier even after conclusion of the contract, insofar as this is reasonable for the supplier - taking appropriate account of the mutual interests. In the case of this amendment to the contract, the effects on both sides, in particular with regard to additional or reduced costs as well as the delivery dates, shall be taken into account appropriately.

(6) If the Supplier has to recognise on the basis of his expertise that that an order is incomplete, or that the purpose of the order cannot be achieved by this delivery, he must inform SANY accordingly in writing without undue delay and in detail.

(7) The Supplier must treat all orders placed by SANY as confidential. The Supplier must not name SANY as a reference towards third parties or otherwise use the business relationship with SANY for marketing purposes without SANY's prior written approval.

## Section 3 Delivery periods

(1) The delivery times and dates specified in SANY's order are binding unless SANY has agreed other dates with the Supplier in writing. If SANY has not stated any delivery dates in its order, the delivery dates specified by the Supplier shall be bindingly agreed. The receipt of the goods at the designated place of use specified by SANY or, if acceptance (*Abnahme*) is required, the time of successful acceptance shall be decisive for compliance with the agreed delivery time or date.

(2) The Supplier shall not be entitled to make partial deliveries or provide partial performance without SANY's prior written

approval. The decision to accept excess deliveries is at SANY's free discretion.

(3) Should the Supplier recognise that it cannot meet the agreed delivery dates, it must notify SANY accordingly in writing without undue delay, stating the reasons and how long the expected delay is likely to last. The obligation of the Supplier to timely delivery or performance shall not be affected thereby. If the Supplier culpably fails to comply with this duty of notification, SANY shall be entitled to demand compensation for any resulting damage incurred by SANY.

(4) Acceptance by SANY of the delayed delivery or service shall not be construed as a waiver of any claims or rights.

(5) Should the Supplier be unable to meet agreed deadlines for reasons Supplier is responsible for, SANY may, after expiration of a reasonable period of grace set, at its choice, claim damages instead of delivery or procure substitute goods from third parties at the Supplier's expense and/or rescind the contract. Should the Supplier be repeatedly in default with its deliveries, SANY may – after a prior warning letter in writing – also withdraw from any or all orders not performed at that time with immediate effect.

(6) If the Supplier is unable to comply with the agreed deadline or delivery date due to force majeure (e.g. natural disasters, civil unrest, war, fire, flooding) or due to other circumstances unforeseeable for it and for which Supplier is not responsible, the delivery period shall be extended by the duration of the occurred disruption. The Supplier may invoke the aforementioned reasons only on the condition that he informs SANY immediately about the occurred disruption and its expected duration. If the disruption is not only of temporary duration and acceptance is unreasonable for SANY as a result of the delay, SANY is entitled to withdraw from the contract with regard to the part not yet fulfilled. In case of a partial performance, SANY shall be entitled to withdraw from the contract as a whole if SANY has no interest in the partial performance.

(7) In all other respects, the statutory provisions shall apply with regard to the Supplier's liability for delays in delivery or performance.

## Section 4 Prices, dispatch, packaging, transfer of risk and title

(1) The prices stated in the order are binding. Unless otherwise agreed, the prices quoted are fixed prices; costs for all services and ancillary services of the Supplier, as well as all ancillary costs, in particular for packaging, freight and transport to the shipping address or place of use specified by SANY are included in these prices. All prices are inclusive of statutory value added tax if this is not shown separately. Where the contractual agreement requires us to bear the cost of transport, the least expensive manner of transport must be chosen.

(2) Deliveries shall be made free of charge to the shipping address or place of use specified by SANY. Dispatch is at the Supplier's risk. The risk of all kinds of deterioration, including accidental loss, remains with the Supplier until handover to SANY at the specified delivery address and/or place of use.

(3) The transfer of ownership of the goods to SANY shall be unconditional and without regard to the payment of the price. If, however, in individual cases SANY accepts an offer of the Supplier for transfer of ownership conditional on payment of the

purchase price, the Supplier's retention of title shall expire at the latest upon payment of the purchase price for the goods delivered. SANY shall remain authorized to resell the goods in the ordinary course of business even prior to payment of the purchase price with advance assignment of the claim arising therefrom (alternatively, the simple reservation of title extended to the resale shall apply). In any case, all other forms of retention of title are excluded, in particular the extended retention of title, the passed-on retention of title and the retention of title extended to further processing.

(4) The Supplier is obliged to avoid unnecessary packaging so as to minimise SANY's disposal costs.

## Section 5 Warranty and liability

(1) Warranty and liability of the Supplier (including wrong and short delivery as well as improper assembly/installation) are governed by the statutory provisions unless otherwise stipulated in these GTC or in any other written agreement between SANY and the Supplier. For the avoidance of doubt: the provisions of this Section 5 do not affect the Supplier's liability under other provisions of these GTC, e.g. Section 8, sub-sections (1) and (7) or Section 9, sub-section (5) and section 14 below.

(2) The Supplier shall ensure that all delivered goods and rendered are state-of-the-art, comply with relevant legal requirements (in particular with regard to the requirements applicable by that time regarding technical safety, safety at work, protection of health, environment and against fire) and instructions and guidelines of the competent authorities, mutual indemnity associations and professional associations, and meet the functions and specifications required. This applies accordingly to the compliance with all the data and quality standards as stated in SANY's orders, drawings and/or supply specifications which define the target condition of the goods or services to be provided by the Supplier. Should these specifications have to be varied in exceptional cases, the Supplier must obtain prior written consent from SANY. This consent does not affect the Supplier's warranty obligations. Should the Supplier have any concerns as to SANY's desired manner of performance, it must inform SANY in writing without undue delay. This shall also apply to any possible suggestions for improvements or changes made by the Supplier with regard to the delivery or performance desired by SANY. If SANY does not agree with the Supplier on the specifications of the ordered goods to be provided by the Supplier, the description of the products made by the Supplier or manufacturer shall otherwise be deemed to be the agreed quality. Irrespective thereof the Supplier shall bear the responsibility that the goods are suitable for the purpose provided by the contract.

(3) SANY shall only be obliged to inspect the supplied goods and to give notice of defects after complete delivery and only with regard to such defects which become apparent during incoming goods inspection under external inspection including the delivery papers (e.g. transport damage, wrong and short delivery) or which are recognizable during SANY's quality control in the random sampling procedure. The notice of defect shall be deemed to have been given without undue delay and in good time if it is sent within 10 calendar days after delivery of the goods in the case of obvious defects or within 10 calendar days after a concealed defect has been identified or was identifiable during a

dutiful inspection. Insofar as acceptance (*Abnahme*) has been agreed, there is no obligation to inspect

(4) The Supplier shall remedy any defects in delivery/service notified to it by SANY during the warranty period, which includes failing to meet guaranteed data and the absence of warranted characteristics or agreed properties, on SANY's request without undue delay and free of charge, including all ancillary costs, repair or replacement of defective components, which is at SANY's sole choice. Further legal claims, in particular the right to rescission, reduction and/or claims for damages, shall remain unaffected.

(5) If the Supplier culpably fails to fulfil its warranty obligations within a reasonable grace period set by SANY, SANY shall be entitled to take the necessary measures to remedy the defect – at the Supplier's expense and risk – itself or have them taken by a third party, without prejudice to the Supplier's continuing warranty obligations - and to demand reimbursement of the expenses required for this from the Supplier or a corresponding advance payment. If subsequent performance by the Supplier has failed or is unreasonable for SANY (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damage), no deadline needs to be set; SANY shall however inform the Supplier of such circumstances without undue delay, if possible, in advance.

(6) The warranty period is 24 months unless explicitly agreed otherwise in writing with the Supplier, or a longer warranty period is stipulated by law for the goods to be delivered and services to be rendered by the Supplier. The warranty period shall commence at the earliest when the goods are handed over to SANY or to the third party designated by SANY at the place of receipt or use specified by SANY. If acceptance is required, the warranty period shall commence on the acceptance date stated in SANY's declaration of acceptance. In the event of rectification (*Nachbesserung*) or subsequent delivery (*Nachlieferung*), the limitation period shall begin anew. In the case of rectification, however, this shall only apply insofar as it concerns the same defect or the consequences of a defective rectification.

(7) Acknowledgement of receipt or acceptance of supplied goods does not release the Supplier from its warranty obligations, even if SANY is aware of a defect.

(8) Approval of drawings submitted to SANY by the Supplier does not release the Supplier from its warranty obligations.

(9) The Supplier may not alter the goods without having obtained express written approval from SANY after conclusion of contract or during the delivery period, even the most minor changes, and even if SANY's specifications, dimensions, analyses, formulae, production methods etc. as prescribed and/or agreed with the Supplier in each case are still adhered to. Such variations may be made only when SANY has given its consent in writing. If the Supplier culpably fails to comply with this obligation, it shall be liable for all costs and other damages incurred by SANY as a result of this breach of obligation, e.g. due to subsequent examinations, expert opinions, additional calculations, subsequent treatments, replacement deliveries etc.

(10) If the Supplier intends to change its production processes with regard to future deliveries, including changes to the composition or features of the goods, the place of manufacture, the suppliers of materials or primary products or the procedure

or devices used to examine the goods, or if the Supplier intends to carry out any other changes that are relevant to the use of the goods either by SANY or its customers, the Supplier shall inform SANY within good time in writing, at the latest, however, three (3) months in advance.

## Section 6 Third-party rights

(1) If and to the extent any licence fees are incurred for the contractual use of the delivery item, also in connection or in interaction with other items, these shall be borne by the Supplier.

(2) The Supplier warrants that the delivered goods are free from third party rights and that the contractual use of the goods and services does not infringe any third party rights.

(3) If the delivery or service of the Supplier or the contractual use of the delivered item infringes the property rights of third parties, the Supplier is primarily obliged to ensure that the infringement is remedied, either by procuring the rights or by modifying the supplied goods or rendered services, if and to the extent this is reasonable for SANY.

(4) Notwithstanding sub-section (3) above, the Supplier shall be obliged to indemnify SANY against any claims raised by third parties due to the (alleged) infringement of third party property rights and reimburse to SANY any costs and expenses incurred by SANY as a result thereof. This afore-said obligation does not apply if SANY concludes agreements with the third party in respect of such claims, in particular a settlement agreement, without the Supplier's consent.

## Section 7 Invoices and payments

(1) Invoices shall be issued no earlier than the date on which the goods, including all contractually relevant documents, are delivered and/or services are rendered. Invoices must be sent separately; they may not be enclosed with the goods.

(2) Invoices must correspond to SANY's order in their wording and as regards the chronological order of the listing of the goods. Any additional services and supplies must be separately itemised in the invoice with a reference to SANY's respective prior written order.

(3) Unless otherwise agreed, payments are due within thirty (30) days from the date of complete delivery and performance (including any agreed acceptance) and receipt by SANY of a proper invoice and all necessary documents (e.g. certificate of material tests) net cash without deductions. If SANY makes payment within fourteen (14) calendar days of receipt of the invoice, the Supplier shall grant SANY a discount of 3% on the net amount of the invoice. In the case of bank transfer, payment shall be deemed to have been made on time if SANY's transfer order is received by its processing bank before the expiry of the payment deadline; SANY shall not be responsible for any delays caused by the banks involved in the payment process. Delays in payment due to the Supplier failure to issue invoices in accordance with this Section 7 are the responsibility of the Supplier, unless Supplier proves that Supplier is not responsible for the non-conformance.

(4) SANY does not owe any interest on arrears (*Fälligkeitszinsen*). The statutory provisions shall apply to default in payment.

(5) Even if SANY should have known at the time of payment of the purchase price and/or other remuneration, that the supplied goods are defective, settlement of the invoices may not be construed as a waiver of any claims arising from the goods or services being defective.

(6) The Supplier shall only be entitled to offset if and insofar as its counterclaims have been finally adjudicated or are undisputed. Supplier is only entitled to exercise a right of retention insofar as its counterclaim is based on the same contractual relationship and is due.

(7) SANY shall be entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent provided by applicable law. In particular, SANY is entitled to withhold payments due as long as SANY is still entitled to claims against the Supplier arising from incomplete or defective performance.

(8) The Supplier may not, without SANY's prior written consent, not to be unreasonably withheld, assign its claims against SANY to any third parties or engage any third parties to collect them. If the Supplier for its own part is supplied subject to an extended reservation of title (*verlängerter Eigentumsvorbehalt*), SANY's consent for the purposes of the preceding sentence shall be deemed to have been granted. If the Supplier in violation of aforementioned sentence 1 hereof, assigns its claims to a third party without SANY's consent, that assignment shall nevertheless be effective; SANY may, however, at its discretion make payment to the Supplier or the third party with discharging effect.

## Section 8 Goods, tools or other production equipment supplied by SANY

(1) The Supplier shall examine any goods supplied by SANY without undue delay upon delivery by SANY or its suppliers and, if a defect becomes apparent, notify SANY without undue delay. Should the defect become apparent at a later point in time, such notification shall be made without undue delay after the defect has been discovered. If the Supplier culpably fails to perform these obligations, it must indemnify and hold SANY harmless from and against any damage or losses resulting from such failure.

(2) The Supplier shall mark all goods supplied by SANY as SANY's property and store these goods separately from other products so that the goods supplied by SANY can be identified as such beyond any doubt for the entire duration of their storage and, where technically feasible and reasonable for the Supplier, also during their processing. The Supplier is liable to SANY in case that any goods provided to it by SANY get lost or damaged. The Supplier shall insure the goods provided to it by SANY against fire, water, theft and similar causes of loss at its own expense at minimum at their market value. The Supplier shall inform SANY without undue delay of any legal or actual impairment of items provided by SANY.

(3) The materials provided by SANY shall be treated and processed on SANY's behalf and shall remain SANY's property in the treatment and processing stage. The parties agree that SANY shall acquire co-ownership in the goods made using materials or components provided by SANY in proportion of the value of the goods supplied by SANY to the total value of the

product. The same applies if SANY loses title by way of mixing or mingling.

(4) All tools and other production equipment which SANY provides to the Supplier for the manufacture of the goods to be supplied to SANY or other performance of services remain SANY's property. If and to the extent that the Supplier purchases and/or manufactures tools or other production equipment required specifically for the manufacture of any parts or goods to be supplied to SANY and SANY pays the price for such tools or equipment in whole or in part, the possession and ownership of such tools or equipment shall pass to SANY upon payment by SANY. It is agreed that the Supplier shall possess the tools and production equipment on SANY's behalf as a borrower. The Supplier shall have no right of retention in respect of such tools and production equipment. Any tools and other production equipment owned by SANY shall be marked appropriately and clearly as SANY's property. The Supplier shall insure any such items at its own expense at replacement value against damage by fire, water, theft and similar types of damage. The Supplier hereby assigns to SANY who accepts such assignment any and all claims for compensation that may arise from such insurance. The Supplier shall be obliged to carry out any necessary maintenance and inspection work on SANY's tools as well as all maintenance and repair work at its own expense and in good time. The Supplier must notify SANY without undue delay of any legal or actual impairment of the tools or other production equipment provided by SANY.

(5) The Supplier may use the tools and other production equipment referred to in sub-section (4) above solely for the purpose of manufacturing the goods ordered by SANY. Such tools and production equipment may only be scrapped or provided to third parties after SANY having granted its prior consent in writing thereto.

(6) The Supplier undertakes to handle and store the tools and other production equipment referred to in sub-section (4) above diligently and with due care. The tools and production equipment shall be serviced and maintained as agreed between SANY and the Supplier from time to time.

(7) If SANY incurs any losses due to the Supplier acting in breach of its duties as stipulated in this Section 8, this shall be compensated by the Supplier, unless the Supplier is not responsible for the breach of duty.

## Section 9 Drawings/documents, intellectual property rights, confidentiality

(1) All documents, drawings, samples, etc. that SANY provides to the Supplier for a quote or for production of the goods to be delivered shall remain the property of SANY; SANY reserves copyright and all other intellectual property rights in such items. The Supplier is not authorised to use any information, ideas or other know-how contained therein for purposes other than the preparation of a quote for SANY or the performance of the contract – unless the information, ideas or other know-how were known to the Supplier already before Supplier received them from SANY or the Supplier lawfully obtained them otherwise at a later point in time. Such documents, drawings, samples etc. along with all copies thereof, shall be handed over to SANY without undue delay at its request, and of the Supplier's own accord if no order ensues, respectively after completion of an

order. The Supplier shall have no right of retention in respect thereof. Sentences 1 and 2 above shall apply accordingly for the drawings and other documents that are drafted by the Supplier in accordance with SANY's special instructions.

(2) The Supplier shall treat the documents referred to in sub-section (1) above as well as all other received information relating to the order or to the execution of the order as business secrets – also after completion of the order – and shall treat them accordingly as confidential. They may not be disclosed to any third parties without SANY's prior written approval. SANY itself shall treat any documents and information that SANY receives from the Supplier in connection with the order or execution of the order as business secrets insofar as the Supplier has expressly informed SANY of the need for confidentiality. The duty to observe secrecy shall not apply if the content of the documents are facts in the public domain or which later enter the public domain without this being due to a breach of duty by the party to maintain secrecy.

(3) The Supplier shall submit to SANY together with the offer all drawings and documents necessary for a discussion of the technical details of the delivery item. However, such discussion or other form of involvement in design work on the part of SANY shall not release the Supplier from its exclusive responsibility for the product or from any ensuing warranty or other obligations.

(4) The Supplier shall provide SANY with all drawings and documents that SANY or its customers require to install, operate, service, maintain or repair the supplied good, in due time – at the latest on delivery – of its own accord and free of charge.

(5) If SANY incurs losses due to the Supplier acting in breach of its duties as stipulated in this Section 9, the Supplier shall compensate SANY for such losses, unless the Supplier is not responsible for the breach.

## Section 10 Securing of supply

(1) If the goods to be delivered are goods specifically developed for SANY, in particular if SANY has directly or indirectly contributed to the costs of development and/or the manufacturing materials, the Supplier warrants to supply SANY at all times with these goods according to our needs and to accept orders from SANY as long as SANY requires these goods. SANY will provide the Supplier in good time with the anticipated supply volume deducted from the forecasts of the requirements of its customers. Unless explicitly agreed otherwise, the Supplier shall however not have a claim to the acceptance of certain quantities.

(2) The Supplier hereby undertakes to ensure the supply of the necessary spare parts for at least 15 years after delivery of the goods – also after the end of series production of the goods. If it becomes apparent to the Supplier within this period that Supplier will no longer be able to do so, the Supplier must inform SANY about the end of the supply possibility without undue delay and, if the Supplier is unable to offer SANY any other reasonable possibility of supply, to provide SANY with the opportunity of procuring an all-time requirement 12 months before the production is discontinued.

## Section 11 Quality assurance and control

(1) The Supplier must implement an appropriate state-of-the-art quality assurance system, and must provide SANY at its request with proof of such implementation. In case SANY should deem

this to be necessary, the Supplier shall conclude an additional quality assurance agreement with SANY to this effect.

(2) If special quality checks have to be performed as regards the goods to be delivered during acceptance procedures, the personal costs of acceptance shall be borne by SANY and the material costs shall be borne by the Supplier unless explicitly agreed otherwise.

(3) The date of completed production shall be notified to SANY in a binding manner no later than one week before acceptance procedures are to be conducted.

(4) If a second visit by the quality officer is necessary due to established defects, the personal costs for such checks shall also be borne by the Supplier. The same shall apply if the supplied goods are not presented to the quality officer on the date specified in sub-section (3) above.

## Section 12 Certificate of origin, documentary evidence relating to sales tax law; export restrictions

(1) The Supplier shall provide SANY with all necessary proofs of origin with all information required in this respect in signed form at its own expense at the latest upon delivery. This shall apply accordingly to any documentary evidence for sales tax purposes that may be required in each particular case in connection with foreign and intra-Community supplies.

(2) The Supplier must inform SANY without undue delay if a delivery – or any part thereof – is subject to export restrictions under German, European or any other applicable law. If and to the extent that an export licence is required for a delivery, obtaining such licence shall be the Supplier's responsibility.

## Section 13 Supplier recourse

(1) SANY's claims for expenses and recourse within a supply chain (supplier recourse (*Lieferantenregress*) pursuant to Sec. 478, 445a, 445b German Civil Code) in accordance with the statutory provisions, shall be available to SANY without restriction in addition to the claims for defects. In particular, SANY is entitled to demand from the Supplier exactly the type of subsequent performance (rectification (*Nachbesserung*) or subsequent delivery (*Nachlieferung*) that SANY owes to its customer in the individual case. SANY's statutory right of choice (Sec. 439 para. 1 German Civil Code) shall not be restricted hereby.

(2) Before SANY acknowledges or fulfils a claim for defects asserted by its customer (including reimbursement of expenses pursuant to Sec. 445a sec. 1, 439 paras. 2, 3, 6 sentence 2 German Civil Code), SANY shall notify the Supplier and request a written statement, briefly stating the facts of the case. If a substantiated statement is not made within a reasonable period of time and if no amicable solution is reached, the claim for defects actually granted by SANY shall be deemed to be owed to its customer. In this case, the Supplier shall be responsible for providing evidence to the contrary.

(3) SANY's claims from supplier recourse shall also apply if the defective goods have been combined with another product or further processed in any other way by SANY, its customer or a third party, e.g. by fitting, attachment or installation.

## Section 14 Producer liability

(1) If the Supplier is responsible for a product defect, it shall indemnify SANY against any third-party claims to the extent that the cause lies within its sphere of control and organization and Supplier itself is liable in relation to third parties.

(2) Insofar as claims are asserted against SANY by third parties due to a defect or a product failure of the item delivered by the Supplier or any other service rendered by the Supplier, the Supplier shall indemnify SANY against all expenses resulting from this or in connection with the claim, including those resulting from or in connection with a recall action lawfully carried out by SANY. In addition, SANY shall be entitled to demand reimbursement from the Supplier for the damage incurred by it, including reasonable legal defence costs. SANY shall inform the Supplier about the content and scope of recall measures - insofar as this is possible and reasonable - and give Supplier the opportunity to comment. Further legal claims shall remain unaffected.

(3) The Supplier shall insure itself against all risks arising from product liability (including recall costs) to an appropriate amount and provide SANY with proof of insurance upon request.

## Section 15 Statute of limitations

The mutual claims of the contracting parties shall become statute-barred in accordance with the statutory provisions, unless otherwise stipulated in these GTC. Insofar as acceptance has been agreed, the limitation period shall commence upon acceptance. Claims arising from defects of title shall in no case become time-barred as long as the third party can still assert the right against SANY - in particular as long as these claims have not lapsed due to statute limitation. The limitation periods of the law on sales apply - to the extent provided by law - to all contractual claims for defects. Insofar as SANY is also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (Sec. 195, 199 German Civil Code) shall apply, unless the application of the limitation periods of the law on sales leads to a longer limitation period in the individual case.

## Section 16 Data Protection

(1) The Supplier undertakes to comply with the relevant data protection regulations, in particular the provisions of the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (*BDSG*), when providing the contractual services either as a data controller or data processor. Without prejudice to the further provisions in this section 16, the Supplier is responsible for the lawful handling of personal data provided by SANY for the provision of the contractual services, if appropriate.

(2) The Supplier undertakes to process the personal data provided by SANY exclusively in a lawful and transparent manner, and exclusively for the provision of the contractual services. Any further use of the data, in particular for the Supplier's own purposes or for the purposes of third parties, is not permitted.

(3) The Supplier undertakes to implement and comply with suitable state-of-the-art technical and organisational measures to the extent provided for in the relevant data protection

regulations in order to safeguard the confidentiality, availability, integrity and authenticity of any personal data made available to Supplier by SANY for the purpose of executing the order, if appropriate.

(4) Furthermore, the Supplier undertakes to use only employees for the performance of the contractual services who have been made familiar with the statutory provisions on data protection and the special data protection requirements of SANY's orders by means of appropriate measures and who, insofar as they are not already subject to appropriate statutory confidentiality obligations, have been comprehensively obliged to maintain confidentiality in writing.

## Section 17 Ethical standards, corporate social responsibility, anti-corruption

(1) The Supplier shall assume responsibility for sustainable business practices and the security of the supply chain. The Supplier undertakes to ensure that in the manufacture and supply of products and in the provision of services all legal provisions on the protection of human rights, compliance with the relevant labour standards and the prohibition of discrimination as well as forced and child labour are complied with. Furthermore, the Supplier undertakes to comply with the provisions of the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*) and any other national or European provisions on the protection of the environment and human rights in the supply chain. The same applies to the legal requirements with regard to sustainability, Co2 emissions ("carbon footprint") and resource conservation. At SANY's request, the Supplier shall provide information and evidence to SANY free of charge. This shall also apply if the Supplier is not subject to the direct scope of application of the relevant provisions. Finally, the Supplier undertakes not to tolerate any form of corruption and bribery or to engage in this in any way.

(2) If the Supplier breaches the obligations incumbent on it under the foregoing sub-section (1), SANY shall be entitled to terminate the contract in whole or in part or to withdraw from all orders without this giving rise to any liability on the part of SANY.

(3) The Supplier shall ensure that the obligations pursuant to this Section 17 are also complied with by its employees, sub-suppliers, representatives, affiliated companies and all other persons involved in the performance of the Supplier's obligations under the contract.

## Section 18 General provisions

(1) If the Supplier is unable to meet its obligations on time when due or stops payments or insolvency proceedings (including preliminary insolvency proceedings) are instituted against the Supplier's assets, SANY shall have the right to withdraw from the part of the contract not yet fulfilled by the Supplier. This right of withdrawal must be exercised by SANY within one month after SANY obtains knowledge of any of the aforesaid circumstances.

(2) These GTC and the entire legal relationship between SANY and the Supplier shall be exclusively governed by the laws of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

The SANY logo consists of the word "SANY" in a bold, white, sans-serif font, centered within a solid red rectangular background.

Quality Changes the World

(3) If the Supplier is a merchant within the meaning of the German Commercial Code, the registered seat of SANY shall be the exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship. However, SANY is also entitled to sue the Supplier at another place of jurisdiction.

(4) The place of performance for all contractual obligations is the registered seat of SANY, or the designated place of use specified by SANY in each case.