

## 1. General provisions

1.1. These General Terms and Conditions of Sale and Delivery of GMN Paul Müller Industrie GmbH & Co. KG (hereinafter referred to as "GMN" or "we/us") apply exclusively to companies within the meaning of Section 14 BGB [German Civil Code] i.e. natural persons or legal entities, which, in respect of the purchase of goods, are acting in the performance of their commercial or independent professional activities (hereinafter referred to as "Purchasers").

1.2 These General Terms and Conditions of Sale and Delivery apply exclusively to all contracts concluded between ourselves and the Purchaser concerning the delivery of goods. Differing terms and conditions of purchase or other differing terms and conditions of the Purchaser shall not apply unless we have expressly acknowledged them in writing. Our silence regarding such differing terms and conditions shall not be deemed in particular to be acknowledgement or consent, and this shall also apply to future contracts.

## 2. Quotation, conclusion of contracts, scope of delivery

2.1 Our quotations are subject to change and are not binding. If the Purchaser places a delivery order based on quotations subject to change, a contract shall be concluded, also in day-to-day business, only upon our written order confirmation if the Purchaser requests such confirmation. In all other cases, the contract shall be concluded by delivery of the goods. If an order confirmation is provided, this alone shall govern the content of the contract, in particular the scope of delivery and date of delivery.

2.2 We reserve the right to make excess or short deliveries of up to 10 % for ball bearings, freewheel clutches and seals which have to be specially manufactured.

2.3 Prices and performance data and other declarations or assurances shall be binding for us only if they have been made or confirmed in writing.

2.4 Any documents, drawings, details of weight, samples etc. enclosed with our quotation are only determined approximately. In particular, these are no guarantee unless this is expressly indicated in writing as "guaranteed by law". Any reference to standards and similar technical regulations shall not indicate a property of our products unless this is expressly indicated as a "property of the product".

2.5 We shall only be obliged to deliver from our own stock (obligation to deliver from stock). We only assume a procurement risk by means of a separate written agreement using the phrase "we assume the procurement risk...". In particular, the assumption of a procurement risk is not established solely by the fact that we are obliged to deliver a product that is only specified in terms of its type.

2.6 Estimates of cost, drawings and other documents provided by us shall remain our property and copyright. They may not be made accessible to third parties without our prior consent.

2.7 The Purchaser is responsible for verifying whether our deliveries or services are suitable for the intended use. We shall only provide binding advice in this respect if we have agreed this with the Purchaser in writing on the basis of a separate consultancy order

## 3. Prices

3.1 Prices are euro prices unless otherwise stated and do not include turnover tax. This shall be invoiced separately at the respectively valid rate in accordance with respectively applicable tax provisions.

3.2 Unless otherwise agreed in writing, prices are ex works or ex our warehouse (EXW Incoterms 2020) and do not in particular include packaging and shipping costs.

## 4. Terms of payment

4.1 Unless otherwise agreed in writing, all payments shall be made free paying office at the latest within 30 days of the invoice date without any deduction. Terms of payment shall be deemed met if the amount is at our disposal within the payment deadline. We grant 2 % cash discount on payments within 14 days of the invoice date unless the Purchaser is in default on that date with other invoices from us. We reserve the right to deliver cash on delivery or cash before delivery of 1/3 of the purchase price if we do not have ongoing business relations with the Purchaser i.e. the Purchaser has not hitherto ordered from us or more than 1 year has elapsed since the last order. We shall inform the Purchaser of this in writing, at the latest in the order confirmation.

4.2 The Purchaser shall have no right of retention unless it is based on the same contractual relationship. Set-off against disputed claims or claims which have not been recognised by declaratory judgment shall be excluded. We shall have the right to avert the exercise of a right of retention through provision of security, also through guarantee.

## 5. Retention of title

5.1 We shall retain title to the goods (goods subject to retention of title) until all claims against the Purchaser, to which we are entitled, have been met

even if payment has been made for individual goods. Pledging or assignment as security shall not be admissible.

5.2 The Purchaser now already assigns to us, by way of precaution, the future claims against its customers arising for us from the resale or rental, without the need for special declarations at a later date, in the event of the admissible resale or rental of the goods subject to retention of title in the ordinary course of business, until payment of all our claims. The assignment shall also cover balance claims resulting from existing current account relationships or from the termination of such relationships of the Purchaser with its customers. If the goods subject to retention of title are resold or rented together with other items, without a unit price being agreed for the goods subject to retention of title, the Purchaser shall assign to us, with priority over the remaining claim, that portion of the total price claimed resp. the total rent which corresponds to the value of the goods subject to retention of title invoiced by us. The Purchaser shall be authorised to collect the assigned claims from the resale or rental until this is revoked. The Purchaser shall not, however, have the right to dispose of the assigned claims in another way e.g. by assignment. At our request, the Purchaser shall disclose the assignment to the customer and shall surrender to us the documents required to assert our rights against the customer e.g. invoices and shall provide the required information. All costs of collection and any intervention shall be borne by the Purchaser.

5.3 If the Purchaser processes the goods subject to retention of title, transforms them or combines them with other items, they shall be processed, transformed or combined for us. We shall become direct owner of the article produced by processing, transformation or combination. If this is not possible for legal reasons, we and the Purchaser shall agree that we are the owner of the new article at all times during processing, transformation or combination. The Purchaser shall keep the new article for us with the due diligence of prudent commercial judgment. Articles created from processing, transformation or combination shall be deemed goods subject to retention of title. Where an item is processed, transformed or combined with other items that do not belong to us, we shall have co-ownership of the new article in the amount of the portion resulting from the ratio of the value of the processed, transformed or combined goods subject to retention of title to the new article. If the new article is sold or rented, the Purchaser herewith assigns to us by way of precaution its claim with all ancillary rights against its customer arising from the sale or rental without the need for special declarations at a later date. The assignment shall only apply, however, in the amount of the value of the processed, transformed or combined goods subject to retention of title invoiced by us. The portion of the claim assigned to us shall have priority over the remaining claim.

5.4 If the value of the security for our claims against the Purchaser from the ongoing business relationship totals more than 20 %, we shall be obliged, at the Purchaser's request, to release securities, to which we are entitled, at the Purchaser's option.

## 6. Delivery, force majeure, delivery subject to own receipt of delivery

6.1 Specified delivery times are not binding unless otherwise agreed in writing. If delivery dates and periods are not binding or approximate (ca., about etc.), we shall use our best efforts to comply with them. Delivery periods agreed as binding in writing shall commence upon receipt of the order confirmation by the Purchaser but not before all details about the execution of the order have been clarified and all other requirements to be fulfilled by the Purchaser are met. This shall accordingly apply to delivery dates. Deliveries can be made before the delivery period ends.

6.2 If we do not receive deliveries or services from our sub-contractors for us to provide deliveries or services which are due from us under the contract, despite due and sufficient stocking in terms of quantity and quality under our delivery or service agreement with the Purchaser, for reasons for which we are not responsible, or they are incorrect or not in due time, or events of force majeure occur of significant duration (i.e. of longer than 14 calendar days), we shall notify the Purchaser in writing or text form in due time. In such case, we shall have the right to postpone the delivery for the duration of the obstruction, or to rescind the contract in whole or in part for that part of the contract not yet fulfilled if we have met our foregoing duty to provide information and have not assumed a procurement risk. Events of force majeure are also strikes, lock-outs, official intervention, energy shortages and shortages of raw materials, transport bottlenecks through no fault of our own, company obstructions through no fault of our own, e.g. due to fire and water damage, and damage to machinery, epidemics and pandemics (including Covid19) and any other obstructions which, when considered objectively, were not caused by our negligence.

6.3 If a delivery and/or service date or delivery and/or service period is agreed with binding force and the agreed delivery or service date or the agreed delivery or service period is exceeded for more than four months due to events according to paragraph 6.2 above, the Purchaser shall have the right, after a reasonable extension of time has elapsed without success, to rescind the contract for that part of the contract not yet fulfilled. The customer shall have no further claims, in particular claims for damages, in this case, if we have met our foregoing duty to provide information (paragraph 6.2). The above provisions pursuant to paragraph 6.3, sentence 1 and 2, shall apply accordingly if the Purchaser cannot be objectively expected to adhere further to a fixed delivery and/or service date for the reasons stated in paragraph 6.2, also if this is not contractually agreed.

6.4 If the Purchaser causes a delay in the dispatch or delivery of the delivery items, we shall have the right to charge the Purchaser for the additional expenses thereby incurred. Paragraph 7.2 stays unaffected by this.

## 7. Passing of risk

7.1 The risk of accidental loss or accidental deterioration of the goods shall pass to the Purchaser upon the delivery item being handed over by us to the forwarding agent, carrier or third parties otherwise appointed to handle the shipment. This shall also apply if partial deliveries are made or we have taken over other services (e.g. shipment or installation).

7.2 If shipment is delayed due to circumstances for which the Purchaser is responsible or the shipment is sent at the Purchaser's request at a date which is later than the agreed delivery date, the risk shall pass to the Purchaser from the date on which the notice is sent stating that the delivery is ready for dispatch for the period of the delay. We shall be obliged at the Purchaser's request and expense to take out the insurances requested by the Purchaser.

7.3 Deliveries shall not be insured against theft, breakage, transport and fire damage without specific request by the Purchaser. If the Purchaser requests the conclusion of an insurance policy, this shall be concluded at the Purchaser's expense. The Purchaser shall provide any cooperation required.

## 8. Claims for defects

8.1 The Purchaser shall inspect the goods immediately upon receipt if this is expedient in the ordinary course of business and, if a defect is found, shall notify us immediately in writing. Negotiations on any notices of defects shall not constitute our waiver of the objection that the notice was not in due time, unfounded in fact or otherwise insufficient.

8.2 If the Purchaser fails to provide this notice, the goods shall be deemed approved unless it is a defect which could not be detected in the course of a normal inspection. Sections 377 et seq. HGB [German Commercial Code] shall furthermore apply.

8.3 Obvious damages sustained during transport or other defects recognisable already at the time of delivery must also be confirmed by the deliverer's signature on the respective transport document when delivery is accepted. The Purchaser shall ensure that a corresponding confirmation is provided.

8.4 Supplementary performance shall be provided at our option by remedying the defect or supplying an article free of defects. If supplementary performance fails, the Purchaser shall have the right at its option to make a reduction or rescind the contract. This shall not affect the right to assert damages according to paragraph 9 of these General Terms and Conditions of Sale and Delivery.

8.5 Claims for defects (hereinafter referred to as "warranty") shall become statute-barred within one year after the risk passes pursuant to paragraph 7 of these General Terms and Conditions of Sale and Delivery. This shall not apply in the cases pursuant to paragraph 9.2 of these General Terms and Conditions of Sale and Delivery.

8.6 In deviation from the above paragraph 8.5, the warranty period for spindles shall be one year from commissioning, but no later than 15 months after the transfer of risk in accordance with paragraph 7. Paragraph 8.7 shall remain unaffected.

8.7 The Purchaser is aware that certain wearing parts which are installed in our spindles may have a shorter service life than the duration of the warranty, depending on the extent and intensity of use of the products containing the corresponding parts (cf. above paragraph 8.6), so that in such cases the first ending service life takes precedence over the warranty period, provided that the defect is due to the corresponding wearing part. This applies in particular to ball bearings and rotary unions designed for 2000<sup>9</sup> operating hours or - depending on which condition occurs first - 3,0 x 10<sup>9</sup> revolutions and tool clamping systems designed for 1 million tool changes. Insofar as the period according to paragraph 8.6 ends before the service life described above, the period according to paragraph 8.6 shall be decisive in the case of defects concerning the respective wearing part.

8.8 If the Purchaser or a third party carries out improper repairs, if unauthorised changes are made to the deliveries or services, if parts are replaced or if consumables are used that do not comply with our specifications for consumables that can be used, or if our operating or maintenance instructions are not followed, we shall not be liable for the resulting consequences. However, this does not apply if the warranty case is verifiably not attributable to one of the aforementioned reasons for exclusion.

## 9. Liability

9.1 We shall not be liable, in particular not for claims by the customer for damages or reimbursement of expenses, for whatever legal reason, and/or for breach of duty from the obligation and tort.

9.2 The above exclusion of liability shall not apply

- in the case of own intentional or grossly negligent breach of

duty and intentional or grossly negligent breach of duty by legal representatives or vicarious agents;

- in the case of violation of material contractual obligations; material contractual obligations are obligations, the fulfilment of which determines the contract, and on which the supplier may rely;
- in the event of injury to life, limb and health, also caused by legal representatives or vicarious agents;
- where we have assumed a guarantee for the quality of the goods or the existence of an outcome of performance, or a procurement risk;
- in the case of liability under the *Produkthaftungsgesetz* [German Product Liability Act] or other compulsory statutory liability.

9.3 If we or our vicarious agents are responsible only for slight negligence and none of the cases specified in paragraph 9.2 in bullet points 1, 3, 4 and 5 above exist, our liability shall be limited in amount, also in the case of violation of material contractual obligations, to typical and foreseeable damages at the time the contract was concluded.

9.4 Any further liability shall be excluded.

9.5 Exclusion resp. limitation of liability according to paragraph 9.1 to 9.4 above and paragraph 9.6 shall apply to the same extent for the benefit of our executive and non-executive employees and other vicarious agents as well as our sub-contractors.

9.6 If the supplier is entitled to damage claims according to paragraph 9, these shall become statute-barred upon expiry of the statutory limitation period applicable to the warranty claims for defects pursuant to paragraph 8.4 of these General Terms and Conditions of Sale and Delivery. Paragraph 9.2 of these General Terms and Conditions of Sale and Delivery shall apply accordingly.

9.7 There is no connection between the reversal of the burden of proof and the foregoing provisions.

## 10. Pre-emptive right

If the Purchaser's business is closed or wound up or the Purchaser can no longer process the goods purchased from us due to discontinuation of production or design modification, we shall have a pre-emptive right to the stocks of our products unless they are in any case already subject to retention of title pursuant to paragraph 5 of these General Terms and Conditions of Sale and Delivery.

## 11. Export control

11.1 In the absence of any other written agreement, our deliveries and services are, with regard to their specifications, always intended to remain and to be used in the first country of delivery agreed with the Purchaser. We are not obliged to provide attachments or documents relating to:

- non-preferential origin of goods (e.g. originating product)
- Preferential origin of goods - in particular preferential proofs and (long-term) supplier's declarations
- Customs tariff number
- German AL number
- "Export Control Classification Number" according to Annex I and IV of Regulation (EC) 428/2009
- "Export Control Classification Number" according to the "U.S. Commerce Control List".

to the Purchaser. Insofar as we provide the Purchaser with information in this regard in individual cases, this is done without any guarantee for the correctness of the information. The Purchaser does not thereby acquire any right to receive this information from us for future transactions.

11.2 The export of certain goods may - e.g. due to their nature or their intended use or final destination - be subject to the requirement for approval. This applies in particular to so-called dual-use goods (goods with a dual purpose). The Purchase itself is obliged to strictly observe the export regulations and embargos relevant for these goods (deliveries or services, goods, software, technology), in particular those of the European Union (EU), Germany or other EU member states and, if applicable, the USA.

11.3 The Purchaser shall in particular check and ensure that

- a) the deliveries or services provided are not intended for an armament-related, nuclear or weapons-related use;
- b) the specific EU sanctions requirements accessible via the following link ([GMN Compliance\\_en](#)) shall be regularly reviewed, duly implemented, and strictly complied with.
- c) no companies and persons named on the US Denied Persons List

(DPL) are supplied with US originating goods, software and technology;

d) no companies and persons named on the US Warning List, US Entity List or US Specially Designated Nationals List are supplied with US originating products without relevant authorisation;

e) no companies and persons are supplied who are named in the list of Specially Designated Terrorists, Foreign Terrorist Organizations, Specially Designated Global Terrorists or the EU terrorist list;

f) the early warning notices of the competent German or national authorities of the respective country of origin of the delivery are observed.

The Purchaser shall send us the relevant end-use documents in the form specified by the Federal Office of Economics and Export Control in the original without delay upon request, but within 10 days at the latest.

11.4 Access to and use of our deliveries and services may only take place if they comply with the above inspection and assurance; otherwise we are not obliged to deliver.

11.5 The Purchaser shall oblige further recipients in the same way when passing on deliveries and services and to inform them of the need to comply with such legal provisions.

11.6 The Purchaser shall indemnify us against all damages incurred by us as a result of the culpable breach of the aforementioned obligations pursuant to paragraphs 11.1 to 11.5. The scope of the damages to be indemnified also includes the reimbursement of all necessary and reasonable expenses which we incur or have incurred, in particular the costs and expenses of any legal defence as well as any regulatory or administrative fines. In the event of a culpable breach of the aforementioned obligations pursuant to paragraphs 11.1 to 11.5 by the Purchaser, we shall also be entitled to withdraw from the contract with the Purchaser.

## 12. Confidentiality

12.1 The Purchaser shall keep confidential such facts, documents and knowledge which come to its knowledge in the course of the implementation of the business relationship with us and which contain technical, financial, business or market-related information about our company or our products, provided that we designate the respective information as confidential or have an obvious interest in keeping it confidential (hereinafter collectively referred to as "Confidential Information"). The Purchaser shall use the Confidential Information solely for the purpose of implementing and performing the contractual relationship with us in accordance with the contract.

12.2 The disclosure of confidential information by the Purchaser to third parties requires our express and prior written consent.

12.3 The duty of confidentiality pursuant to paragraph 12.1 shall not apply if the respective confidential information verifiably:

- a) are or become generally known without any action on the part of the Purchaser
- b) was already known to the Purchaser or is made known by a third party authorised to pass on the information, or
- c) is developed by the Purchaser without our intervention and without utilisation of other information or knowledge obtained through the contractual contact, or
- d) must be disclosed due to mandatory statutory provisions or court or official orders.

### 13.1 Final provisions

13.1 Amendments to and modifications of these General Terms and Conditions of Sale and Delivery shall only be valid when given in writing. This shall also apply to this requirement of written form itself. This shall not affect the precedence of an individual agreement pursuant to 305b *BGB*.

13.2 Place of performance for deliveries and payments is Nuremberg.

13.3 Any disputes arising between ourselves and the Purchaser and in connection with the contract shall be settled exclusively before a competent Nuremberg court of law. We shall also have the right at our option to bring an action against the supplier at its place of general jurisdiction.

13.4 The law of the Federal Republic of Germany shall apply, to the exclusion of the UN Sales Convention (CISG).

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