

General Terms and Conditions of Sale

Version November 2022

1. Scope of Application, Form

- 1.1. These General Terms and Conditions of Sale (GTCS) apply to all business relations between Lenze Zadvizhvasta Tehnika, EIK 160065555 („Lenze“) and its Buyers ("Buyers"). The GTCS shall only apply if the Buyer is not a consumer within the meaning of the Bulgarian Consumer Protection Act. References below to “we”, “us”, “our” and similar should be understood as references to Lenze or its rights and obligations.
- 1.2. The GTCS apply in particular to agreements on the sale and/or delivery of movable goods ("Goods"), irrespective of whether we produce the goods ourselves or purchase them from suppliers. Unless otherwise agreed, the GTCS in the version attached to the initial confirmation of the Buyer’s order shall apply.
- 1.3. These GTCS shall apply exclusively. Any general terms and conditions of the Buyer shall only become an integral part of the agreement if and to the extent that we have expressly consented in writing to their validity. This consent requirement shall apply in any case, for example even if we carry out the delivery to the Buyer without a reservation for inapplicability of the latter’s terms and conditions, in knowledge of such Buyer’s general terms and conditions.
- 1.4. Individual agreements made with the Buyer in individual cases (including collateral agreements, supplements and amendments) shall take precedence over these GTCS in any case. Subject to evidence to the contrary, a written agreement or our written confirmation shall be definitive for the content of such agreements.
- 1.5. Legally relevant declarations and notices of the Buyer relating to the agreement (e.g. setting of deadlines, notification of defects, withdrawal or reduction) must be made in writing (e.g. letter, e-mail, fax). Legal formal requirements and further proof, in particular in case of doubts about the legitimacy of the declarator, shall remain unaffected.
- 1.6. References to the applicability of statutory provisions are provided only for clarification. Therefore, even without such clarification, the statutory provisions shall apply, to the extent they are not directly amended or expressly excluded in these GTCS.
- 1.7. In the case of framework agreements and continuing obligations, the Buyer shall be notified in writing of any amendments to the GTCS. They shall be deemed accepted unless the Buyer raises an objection in writing within one month of receipt of the notification. We shall make special reference to this consequence. In the absence of a notification under this Section 1.7, the GTCS in the last version accepted or deemed accepted by the Buyer shall apply.

2. Conclusion of Contract

- 2.1. Any indicative offer provided by us prior to a Buyer’s order is subject to change and non-binding. This shall also apply if we have provided the Buyer with catalogues, technical documentation (e.g. drawings, plans, evaluations, calculations, references to DIN standards), other product descriptions or documents – also in electronic form – to which we reserve property rights and copyrights.

- 2.2. The ordering of the Goods by the Buyer shall be deemed to constitute a binding offer to conclude a contract.
- 2.3. Acceptance can be provided either in writing (e.g. through order confirmation) or through delivery of the Goods to the Buyer within 14 days after receipt of the order, unless otherwise specified in the order.

3. Deadlines and Delay in Delivery

- 3.1. Deadlines shall be agreed individually or specified by us upon acceptance of the order.
- 3.2. We shall not be liable for impossibility of delivery or for delivery delays to the extent these are caused by force majeure or other events unforeseeable at the time of conclusion of contract (e.g. operational disruptions of any kind, difficulties in procuring materials or energy, transportation delays, strikes, lawful lock-outs, shortage of labour, energy or raw materials, difficulties in obtaining necessary official approvals, official measures or pandemics, unavailability of supplies due to late delivery by our suppliers despite corresponding contractual agreement) for which we are not responsible. If such events make it considerably more difficult or impossible for us to deliver Goods or render services, and if the impairment is not only of a temporary nature, we shall be entitled to withdraw from the agreement. In case of hindrances of a temporary duration, the delivery or service deadlines shall be extended or the delivery or service deadlines shall be postponed by the period of the hindrance, plus a reasonable additional period. To the extent the Buyer cannot reasonably be expected to accept the delivery or service as a result of the delay, he may withdraw from the agreement by means of a prompt written statement to us.
- 3.3. The occurrence of our delivery delay shall be determined according to statutory provisions. In any case, however, a reminder by the Buyer shall be required. If we are delayed in delivery, the Buyer may demand a contractual penalty for the damage caused due to the delay. The contractual penalty shall amount to 0.5% of the net price (price of the delayed Goods or services exclusive of VAT) for each full calendar week of delay but will not exceed in total 5% of the net price of the delayed Goods or services. The Buyer shall have no additional claim to reimbursement of damages caused by the delay, unless a case of Section 8.1.1 exists.
- 3.4. Our statutory rights, especially in case of exclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance), shall remain unaffected.

4. Delivery, Passing of Risk, Acceptance, Default in Acceptance

- 4.1. Delivery shall be made by our forwarding agent to the agreed place of delivery. The buyer will be charged for freight and packaging. Unless otherwise agreed, we are entitled to determine the type of shipment at our discretion (in particular, the transport operator, shipping route, packaging).
- 4.2. The risk of accidental loss and accidental deterioration of the Goods shall pass to the Buyer upon handover at the latest. However, in the case of delivery through a forwarding agent, 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.
- 4.3. If the Buyer is in default of acceptance, if it fails to engage in an act of cooperation or if our delivery is delayed for other reasons for which the Buyer is responsible, we shall be entitled to any and all expenses related thereto (e.g. storage costs). In particular, for each month of storage or part thereof, the Buyer shall pay storage fees in the amount of at least 0.5% of the

net price of the product accepted late as from the delivery deadline or – in the absence of a delivery deadline – upon notification of readiness for despatch of the Goods. Our further statutory rights shall remain unaffected.

5. Prices and Terms of Payment

- 5.1. Unless otherwise agreed on an individual basis, our current prices at the time of conclusion of contract shall apply, ex warehouse, subject to any applicable value added tax.
- 5.2. The Buyer shall bear the transport costs and the costs of transport insurance - the latter if desired by the Buyer. We will either invoice the transport costs actually incurred in the individual case or agree on a lump sum for transport costs (excluding transport insurance). Any customs duties, fees, charges, taxes and other public levies shall be borne by the Buyer.
- 5.3. Packaging, loading, freight and insurance costs, as well as assembly and commissioning costs, shall be invoiced additionally. The same shall apply to application software. The Buyer shall be charged separately for fees and costs for the procurement and authentication of certificates of origin, consular invoices, permits, etc.
- 5.4. When standard equipment is sold, planning work, supplementary work and other engineering services are not part of the standard service and are not included in the prices. Documentation is provided by standard operating manuals and standard wiring diagrams. Circuit diagrams and project planning with regard to the specific drive case are not part of our services, nor are the mains in-feed, switch-on control, external control and linking.
- 5.5. We shall be bound by the prices agreed for an order for four months after conclusion of contract. If longer periods have been agreed upon for the provision of the delivery or service, we shall be entitled, in the event of an increase in the cost of materials or labour, to add a pro-rated surcharge for the increase in costs that has occurred on the basis of the original price calculation. The provision in this Section 5.5 shall not apply to prices for which a material price surcharge has been agreed upon in accordance with the following Section 5.6.
- 5.6. If and to the extent that a material price surcharge is agreed upon in an order for servo synchronous motors, the following shall apply: Servo synchronous motors use magnets containing the raw materials neodymium and dysprosium (so-called "rare-earth elements"). These commodities, which are subject to strong price fluctuations, were calculated using a base value from March 2011 or lower in the price calculation.

The material price surcharge shall be calculated if there is an increase in price between the March 2011 base value and the current value at the time of invoicing. The price in March 2011 for both raw materials (by kilogram of material incorporated in the respective engine) and the prices at the time of invoicing, provided that this is not later than 5 days after delivery, shall be compared; otherwise, the day of delivery of the respective engine shall be decisive for the calculation. The prices quoted on Asian Metal (www.asianmetal.com) shall be used as a reference for the current price in each case. Price increases occurring in relation to March 2011 – based on the weight of the two raw materials contained in each motor – shall be calculated in addition to the contractually agreed price.

With respect to further details of the material price surcharge, please refer to the below website <https://www.lenze.com/en-de/material-price-surcharge/>.

- 5.7. The purchase price shall be due and payable within 14 days from the date of delivery of the Goods. However, we are entitled at any time, even within the scope of an ongoing business relationship, to make a partial or complete delivery subject only to advance payment. We'll declare such a reservation at the latest with the order confirmation.

- 5.8. Upon expiry of the aforementioned payment deadline, the Buyer shall be in default. During the period of default, interest shall be charged on the purchase price at the prevailing statutory default interest rate. We reserve the right to assert further damages caused by the default.
- 5.9. The Buyer shall only be entitled to rights of set-off or retention to the extent its claim has been legally established by the final judgement of a court of law. In case of defects in the delivery, the Buyer's counter rights shall remain unaffected, in particular in accordance with Section 7.6 Sentence 2 of these GTCS.
- 5.10. After conclusion of contract, if it becomes clear from the circumstances (e.g. due to an application for the opening of insolvency proceedings, repeated failure to meet payment terms for previous purchases, exceeding of the limit set by the credit insurer) that there is a risk that the Buyer will not pay the purchase price, we shall be entitled to refuse performance. In the event of a failure by the Buyer to pay the purchase price, we shall be entitled to withdraw from the agreement in accordance with the statutory provisions. By way of derogation from articles 87 (1) - (4) of the Contracts and Obligations Act, in the case of a failure for payment of any part of the purchase price under contracts for the manufacture of non-fungible items (custom-made products), we may withdraw from the contract immediately without providing an additional time limit for payment to the Buyer.

6. Retention of title

- 6.1. Up until full payment of all our present and future claims arising from the purchase agreement and an ongoing business relationship (secured claims), we retain title to the Goods sold.
- 6.2. The Goods subject to retention of title may neither be pledged to third parties nor assigned as security prior to full payment of the secured claims. The Buyer shall be obliged to inform us immediately in writing if an application is filed to open insolvency proceedings or if the Goods belonging to us are subject to appropriation by third parties (e.g. seizures).
- 6.3. If the Buyer acts in breach of contract, in particular in the event of non-payment of the purchase price due, we shall be entitled to withdraw from the agreement 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 return does not at the same time include a statement of withdrawal; we shall be entitled to demand the return of the Goods only and to exercise later the right of withdrawal. If the Buyer does not pay the purchase price due, we may only assert these rights if we have previously set the Buyer a reasonable deadline for payment without success or if setting such a deadline can be dispensed with according to the statutory provisions.
- 6.4. Before exercise of our rights under Section 6.3. above, the Buyer shall be authorised to resell and/or process the Goods subject to retention of title in the ordinary course of business. In this case, the following supplementary provisions shall apply.
 - 6.4.1. In the event of processing, mixing or combining with goods of the Buyer or of third parties, we shall acquire co-ownership in the ratio of the invoice values of the processed, mixed or combined goods. Otherwise, the same shall apply to the resulting product as to the Goods delivered under retention of title.
 - 6.4.2. The Buyer shall assign to us immediately upon our request all claims against third parties arising from the resale of the Goods or the product in total or in the amount of our co-ownership share, if any, in accordance with Section 6.4.1. The Buyer shall provide all

necessary cooperation, including any information requested by us, in order to enable us to decide whether to request an assignment under the preceding sentence and generally to give effect to such assignment. The Buyer shall duly comply with its obligations under article 99 (3) of the Obligations and Contracts Act. The duties of the Buyer specified in Section 6.2 shall also apply with respect to the assigned claims.

- 6.4.3. In case the realisable value of the Goods subject to retention of title exceeds our claims by more than 10%, we may release securities at our discretion upon request of the Buyer.

7. Buyer Claims for Defects

- 7.1. Unless otherwise specified below, the statutory provisions shall apply to the rights of the Buyer in the event of material defects and defects of title (including improper assembly performed by us or defective assembly instructions).
- 7.2. The basis of our liability for defects shall be, above all, the agreement reached on the quality and specification of the Goods. In particular, all product descriptions and manufacturer specifications incorporated in the individual agreement shall be deemed to be an agreement on the quality of the Goods.
- 7.3. To the extent the quality or specification was not agreed upon, it is to be judged according to statutory rules whether a defect exists or not. However, we shall accept no liability for public statements made by the manufacturer or other third parties (e.g. promotional claims) to which the Buyer has not drawn our attention as being decisive for their purchase.
- 7.4. As a general rule, we shall not be liable for defects of which the Buyer is aware at the time when the agreement is concluded or is not aware due to gross negligence. Moreover, the Buyer's claims for defects presuppose that they have fulfilled their statutory duty of inspection and notification of defects. In the case of Goods intended for installation or other further processing, an inspection must be carried out at the latest immediately prior to processing. If a defect becomes apparent during delivery, inspection after delivery or at any later time (in this latter case, provided the defect couldn't normally have been detected at the time of the inspection after delivery), we must be notified of this in writing without delay. In any case, obvious defects must be reported in writing within 5 working days of delivery, and defects that cannot be detected during inspection after delivery must be reported within the same period of time after their discovery. If the Buyer fails to carry out a proper inspection and/or to give notice of defects, our liability for the defect which was not reported or not reported in a timely or proper manner shall be excluded in accordance with the statutory provisions.
- 7.5. If the delivered item is defective, we may initially choose whether to provide subsequent performance by remedying the defect (rectification) or by delivering an item free of defects (replacement). Our right to refuse subsequent performance under the statutory conditions shall remain unaffected.
- 7.6. We shall be 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 relation to the defect.
- 7.7. The Buyer shall give us the time and opportunity necessary for the subsequent performance owed, in particular hand over the rejected Goods for inspection purposes. In case of a replacement delivery, the Buyer must return the defective item to us in accordance with the statutory provisions. Subsequent performance shall neither include the removal of the defective item nor its re-installation if we were not obliged to install it in the first place.

- 7.8. We shall bear or reimburse the expenses required for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs, in accordance with the statutory provisions if a defect is actually present. Otherwise, we may demand from the Buyer reimbursement of the costs incurred as a result of the unjustified request to remedy the defect (in particular, inspection and transport costs). The place of performance for the rectification of defects shall be the registered office of Lenze.
- 7.9. In urgent cases, e.g. if the operational safety is jeopardised or to prevent disproportionate damage, the Buyer shall have the right to remedy the defect themselves and to demand reimbursement from us for the expenses objectively required for this purpose. We are to be informed immediately, if possible in advance, of any such own measures. The right to carry out own measures shall not exist if we would be entitled to refuse a corresponding subsequent performance in accordance with applicable legal provisions.
- 7.10. If subsequent performance has failed or if a reasonable period for such performance has expired unsuccessfully or is dispensable according to the statutory provisions, the Buyer may withdraw from the purchase agreement or reduce the purchase price. No right of withdrawal shall exist, however, in case of a unsubstantial defect.
- 7.11. Claims of the Buyer for damages or reimbursement of futile expenses shall also exist in the case of defects only according to Section 8 and shall otherwise be excluded.

8. Liability

- 8.1. To the extent not specified to the contrary in these GTCS and subject to the statutory limitations, we shall be liable as follows:
- 8.1.1. in case of wilful misconduct,
 - 8.1.2. in case of gross negligence,
 - 8.1.3. for damage resulting from injury to life, limb or health for which we are responsible,
 - 8.1.4. for defects as per section 7 above,
- and
- 8.1.5. to the extent legally mandated liability exists for other reasons.
- 8.2. Except in the cases of 8.1.1 and 8.1.3., we shall not be liable for loss of profit.
- 8.3. Except in the cases of 8.1.1 and 8.1.3, we shall not be liable for production downtime.
- 8.4. For avoidance of doubt: we shall not be liable for any damage resulting from standard negligence.
- 8.5. The provisions of this Section 8 shall also apply to a claim for reimbursement of expenses.
- 8.6. In all other cases, our liability – irrespective of the legal grounds – shall be excluded.

9. Limitation

- 9.1. The limitation period for claims based on material defects shall be 12 months from delivery.
- 9.2. The above limitation periods shall also apply to contractual claims for damages of the Buyer which are based on a defect of the Goods. Other Buyer's claims shall become time-barred solely in accordance with the statutory periods of limitation.

10. Intellectual Property Rights

- 10.1. For all documents, objects, etc. provided to us for the purpose of delivery or performance, the Buyer shall be responsible for ensuring that the intellectual property rights of third parties are not infringed in the process. The Buyer shall indemnify us against claims by third parties and compensate us for any damage incurred. If we are prohibited from performance, manufacturing or delivery by a third party invoking an intellectual property right belonging to them, we shall be entitled – without review of the legal position – to discontinue the work and to demand compensation for the expenses incurred. Any documents, objects, etc. provided to us which have not led to the order shall be returned on request in exchange for reimbursement of costs. Otherwise, we shall be entitled to destroy them three months after submitting the proposal.
- 10.2. We shall reserve the ownership rights and copyrights to all samples, models, drawings, cost estimates, calculations and similar information of a tangible or intangible nature – also in digital form. This type of information must not be made available to third parties. If the Buyer receives such information in connection with contract conclusion, it shall be obliged to return it to us free of charge if the agreement is not concluded.
- 10.3. To the extent software is embedded into the Goods, the Buyer shall have the non-exclusive right to use it in unmodified form in the delivered Goods. Any individual contractual agreements shall take precedence.

11. Confidentiality

- 11.1. The Buyer shall keep strictly confidential all information (in particular data and documents), including, but not limited to: plans, lists, drafts, business or project documentation, reports, agreements or contractual relations, forms, policies and procedures, price formation data, information related with certain processes, technologies or theories, financial data, know-how, personal data, trade secrets pertaining to us (hereinafter collectively referred to as "Information") to which they become privy in verbal, written or any other form – even if prior to conclusion of this agreement – (also by our service providers) during the term of this agreement and thereafter and – unless absolutely necessary for the performance of this agreement – not to record it, disclose it to third parties or to exploit it itself. This also applies to Information of other companies of the Lenze Group.
- 11.2. The aforementioned confidentiality obligation shall not apply to Information that
- can be demonstrated to have already been known to the Buyer prior to the cooperation with us without obligation to maintain confidentiality, or
 - is or becomes generally known without the Buyer being responsible for this, or
 - is disclosed to the Buyer by a third party without breach of any confidentiality obligation, or
 - must be disclosed on the basis of an enforceable official or judicial decision or a legal provision. In this case, the Buyer must notify us in writing prior to disclosure to give us the opportunity to undertake any legal steps available in view of protection of our interests.

The burden of proof for the existence of a legitimate exemption shall be borne by the Buyer.

- 11.3. The Buyer shall only be entitled to disclose the fact of the parties' cooperation to third parties, in particular to name us as a reference, with our prior written consent. Press releases

or other statements to the public must be coordinated with us in advance. The above provisions shall not apply if and to the extent that they conflict with mandatory statutory provisions, in particular statutory disclosure requirements.

12. Export

The Buyer shall be obliged to comply with all applicable national and international export control and sanctions regulations, in particular those of the United Nations, the European Union, Germany, Bulgaria and the United States. Listed dual-use products must also not be imported into free zones or free warehouses. This obligation shall only apply to the extent it does not lead to a violation of so-called anti-boycott regulations of EU or German law.

13. Severability

If any clause of these GTCS (or part of any clause) is found to be invalid, illegal or unenforceable, that clause or part-clause shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other clauses of the GTCS shall not be affected. If any invalid, unenforceable or illegal clause of these GTCS would be valid, enforceable and legal if some part of it were deleted, the clause shall apply with the minimum modification necessary to make it legal, valid and enforceable.

14. Choice of Law and Place of Jurisdiction

- 14.1. The law of the Republic of Bulgaria shall apply to these GTCS and the contractual relationship between us and the Buyer, to the exclusion of international uniform law, in particular, the UN Convention on Contracts for the International Sale of Goods.
- 14.2. All disputes arising under or in connection with the contractual relationship between Lenze and the Buyer shall be resolved by the competent court in Plovdiv, Bulgaria. Overriding statutory provisions, in particular on exclusive jurisdictions, shall remain unaffected.