



HSP General Terms and Conditions of Purchase

1. Scope of Application

- 1.1. These General Terms and Conditions of Purchase ("**Terms**") shall apply to all single purchases of materials, documents of other deliverables ("**Goods**") between the supplier ("**Supplier**") and any affiliate companies of HSP Hochspannungsgeräte GmbH.
- 1.2. These Terms shall be integral part of all single purchase contracts between HSP and Supplier, unless otherwise agreed in a general purchase agreement between HSP and Supplier. Other general terms and conditions or provisions in other documents (specifications, data sheets, technical documentation, order confirmation, shipping documents, etc.) of Supplier shall not be applicable to the extent that they are not in accordance with the Terms, even if they are not rejected explicitly in any individual case and/or otherwise if HSP accepts delivery and makes payments.

2. Order and Confirmation of Order

- 2.1. All contracts for delivery (purchase orders and confirmations) shall be made in writing.
- 2.2. HSP may cancel the order if Supplier has not confirmed acceptance of the order (confirmation) in writing within 14 calendar days of receipt.
- 2.3. Any alterations, amendments or additions to the order shall only become a part of the contract if HSP accepts such in writing.
- 2.4. HSP may change or suspend a purchase order or a portion thereof at any time prior to delivery date without charge or penalty. HSP may further cancel a purchase order or a portion thereof at any time prior to delivery date. In the event of cancellation by HSP without Supplier being in default, Supplier will use good faith and reasonable efforts to sell the Goods, WIP and raw materials to third parties and thereby mitigate HSP costs in respect thereto. In the event of HSP specific products, which cannot be supplied to third parties, HSP and Supplier shall mutually agree in good faith upon any necessary refund.

3. Delivery and Delivery Date, Transfer of Title

- 3.1. Delivery shall be made DDP (according to the Incoterms in force at the moment of the purchase order) and to the destination set forth in the purchase order, unless agreed otherwise. Partial deliveries and early deliveries are not permitted unless expressly agreed to in writing by HSP. Stipulated means of transport shall be used. Supplier ensures professional and faultless packaging and is liable for all damages as a result of inadequate or unsuitable packaging.
- 3.2. Each delivery shall include a packing note or delivery note with details of the contents as well as the complete order number.
- 3.3. For deliveries involving installation, commissioning or services, the transfer of risk occurs on acceptance by HSP. For deliveries not involving installation or commissioning, the transfer of risk shall be upon receipt by HSP according to the applicable Incoterms.



Insofar as Supplier is required to provide material testing, test records or quality control documents or any other documentation, such shall be a part of the requirements of the completeness of the delivery.

- 3.4. Time of delivery is of essence. Supplier shall immediately notify HSP in writing if Supplier is unable to deliver the Goods in the quantities and/or on the delivery dates and times specified in the purchase order. Upon HSP's request, Supplier shall deliver the concerned Goods with a more expeditious method of transportation as originally specified at Supplier's sole costs. Transfer of title shall be upon delivery to HSP.
- 3.5. If any Goods are delivered beyond the agreed deadline, Supplier is in default of delivery, without reminder. HSP is entitled to charge a penalty, without limiting or affecting its other rights or remedies available according to this Terms or at law, in respect of each commenced working day of delay amounting to 0.3% value of the delayed delivery but not exceeding a total of 10% of the total value of the purchase order. In the event of delay HSP is entitled to withdraw from the purchase order with immediate effect without setting a period of grace. Acceptance of late deliveries without reservation shall not be deemed to be a waiver of any claims to which HSP is entitled due to late delivery.
- 3.6. Supplier shall warrant a thorough inspection of the outgoing Goods to ensure defect-free delivery. An inspection of incoming goods only takes place with respect to outwardly visible defects and/or deviations in kind or quantity of the goods. HSP will give notice of such defects as soon as commercially reasonable. Notice of any other defects will be given as soon as those are determined in the ordinary course of business. Insofar Supplier waives objection of late notification.

4. Payment, Invoices

- 4.1. Unless otherwise agreed, payments shall be due and payable no later than 60 calendar days net. If payment is made within 30 calendar days, HSP is entitled to a 3 % discount. The period for payment shall commence as soon as any delivery or service is completed and a correctly issued invoice is received.
- 4.2. The order number as well as the number of each individual item shall be detailed in invoices. Insofar as any such details are omitted, in-invoices shall not be payable. Copies of invoices shall be marked as duplicates.
- 4.3. A discount shall also be allowed if HSP sets off or withholds any payments to a reasonable extent on account of any deficiency.
- 4.4. Payment does not constitute an acknowledgement that the corresponding delivery or services were provided in accordance with the purchase order.

5. Information, Provided Material

- 5.1. Supplier shall treat as confidential any information made accessible by HSP insofar as such information has not become demonstrably known to the public or HSP has not consented in writing to its transfer in the individual case. The information remains the exclusive property of HSP and HSP reserves all rights in such information.



Supplier shall make confidential information available only to those employees necessary in the performance of the contract and who are put under obligation to secrecy themselves. Supplier shall use this information exclusively for the purpose of performing the deliveries and services. Insofar as HSP agrees to any subcontracting to a third party, such third party shall agree to such terms in writing. On request of HSP, all information originating with HSP, no matter what kind or in what form, shall be immediately and completely returned and/or destroyed in connection with a written declaration to that effect.

- 5.2. Tools and material provided by HSP remains the property of HSP and are to be stored, labeled as property of HSP and administered separately at no cost to HSP. Supplier shall examine them at the time of receipt and inform HSP immediately about any defects discovered. The use of the tools and materials is limited to the orders of HSP only. Any processing or transformation of the material shall take place for HSP.

HSP shall immediately become owner of the new or transformed product. Should this be impossible for legal reasons, HSP and Supplier hereby agree that HSP shall be the owner of the new product at all times during the processing or transformation.

- 5.3. Only upon HSP's prior written approval, Supplier shall be allowed to mention HSP as a reference customer and/or make reference to products or services which Supplier has developed during the performance of an order for HSP.

6. Right to use

- 6.1. Supplier hereby grants HSP a free, transferable right of use without restriction as to territory or time in any know-how and inventions of Supplier that are capable of being protected and on which the Goods are based or in which these are embodied or which have come into being through development processes during the contractual relationship.
- 6.2. Supplier shall organizationally ensure that it can meet its obligation to grant the right of use. Supplier is aware that the products of HSP are being used world-wide. Supplier undertakes to immediately notify HSP of any use of published and unpublished, own and licenses industrial property rights and patent applications regarding the Goods.

7. Warranty

- 7.1. Supplier warrants that the Goods are free of defects in material, workmanship and design, conform to the agreed specifications and to the latest technology, shall be merchantable and shall be fit for their customary use as well as the particular use intended by HSP.
- 7.2. The warranty period is three years after delivery to HSP (for deliveries involving installation, commissioning or services after acceptance by HSP), insofar as no statutory provisions provide longer periods. Repaired or replaced Goods are subject to the full warranty as set forth herein.
- 7.3. HSP shall notify Supplier with the notice of deficiency or otherwise by email or in writing of defects in or of the deficiency of the Goods as soon as reasonably practicable in the ordinary course of its business within the warranty term.



Supplier must at its own expense and at the discretion of HSP rectify the deficiency, either by repair, provide re-performance of services, or replacement of the defective Goods. Supplier shall bear the costs and risk related to the rectification (e. g. return costs, costs of transport, costs of de- and re-installation).

- 7.4. Should Supplier fail to rectify any deficiency within a reasonable time period set by HSP, HSP is entitled to (i) cancel the contract in whole or in part without being subject to any liability for damages; (ii) demand a reduction in price; (iii) undertake itself any repair at the expense of Supplier or re-performance of services or replacement of deliveries or arrange for such to be done and claim damages in lieu of performance. The aforementioned rights may be exercised without further deadline if HSP has a strong particular interest in immediate rectification in order to avoid any liability of its own for delay or for other reasons of urgency and it is not reasonable for HSP to request Supplier to rectify the deficiency within a reasonable time period. The legal provisions on the dispensability of setting a deadline remain unaffected hereby.
- 7.5. In case of culpable defect of title, in particular in case of infringement of third-party industrial property rights, Supplier shall indemnify HSP and its customers from all claims by third parties and shall compensate all costs HSP incurs due to a necessary and appropriate legal defense in connection with the infringement of third-party rights. In respect of defects of title a period of limitation of 7 years applies.

8. Other Liabilities

- 8.1. Supplier shall be liable for any expenses and/or damages incurred by HSP due to any breach of the Terms unless Supplier is not responsible for such breach.
- 8.2. Should HSP be subjected to product liability claims, Supplier shall indemnify HSP insofar and to the extent that the damage was caused by a defect of the Goods. However, in case of tortious liability this shall only apply if Supplier is at fault. Supplier shall bear the burden of proof, provided the cause of the damage lies within the scope of its responsibility. In these cases, Supplier shall bear all costs and expenses, including the costs for bringing an action.
- 8.3. Supplier shall maintain a (i) public liability insurance for damages under extended product liability as well as for the costs of any recall action with the sum insured of no less than EUR 5 million each for personal injury, property damage and extended product liability and recall costs and (ii) general liability and product liability insurance which covers Supplier's liability deriving by the supply of Goods and HSP indemnity and has worldwide validity. The insurances shall be taken out with a reputable insurer and contain the provisions to be expected in accordance with Good Industry Practice. Upon request of HSP, Supplier shall provide to HSP an insurance certification of the existing coverage.

9. Force Majeure

Any force majeure strikes or lockouts, disruption of operations through no fault of its own, riot, official governmental actions and other unavoidable events entitle HSP – irrespective of its other rights – to withdraw from the contract in full or part, provided these events result in a significant reduction of HSP's needs and last for a significant period of time.



10. Third Party Industrial Property Rights

- 10.1. Supplier warrants that no third-party intellectual property rights are in conflict to the contractual use of the Goods.
- 10.2. Insofar as Supplier is at fault for the infringement of intellectual property rights, Supplier shall indemnify HSP from all third-party claims made against HSP in and out of court, including any costs incurred by HSP chaser for a necessary and appropriate legal defense resulting from an infringement of intellectual property rights.
- 10.3. Furthermore, the contracting parties shall notify each other immediately of any infringement risks and alleged cases of infringement and shall afford each other the opportunity to jointly counteract any corresponding claims.

11. Assignment and Set-Off

- 11.1. Any assignment of any claim is only allowed with the prior written approval of HSP.
- 11.2. HSP may withhold or set off payments based on its counterclaims.

12. Right to Terminate and Cancel

- 12.1. HSP may terminate the contract at any time for its convenience by giving at least 10 calendar days written notice to Supplier.
- 12.2. In addition to any rights provided by law to withdraw from or cancel a contract, HSP may terminate the contract in whole or in part in case (i) Supplier is in breach of the contract; (ii) Supplier is in delay with its delivery or service and such delay persists for more than two weeks after receipt of HSP's reminder; (iii) Supplier's financial situation deteriorates or extrajudicial composition proceedings are initiated with respect to Supplier, (iv) Supplier files for bankruptcy, liquidates or dissolve, (v) Supplier ceases or claims to cease its business.
- 12.3. In case of a termination according to this clause 12, HSP may continue to utilize existing facilities, deliveries or services already performed by Supplier in exchange for reasonable payment.

13. Code of Conduct for Business Partners, Security in the Supply Chain

- 13.1. Supplier shall at all times during its business relationship with HSP follow the Business Partner Code of Conduct (<https://trench-group.com/wp-content/uploads/2024/03/Trench-Group-Supplier-Code-of-Conduct.pdf>).
- 13.2. Supplier has not and will not, directly and indirectly in connection with the performance of its obligations towards HSP or otherwise, offer, pay or authorize the giving of money or anything of value to HSP or an employee, agent, consultant of HSP or other person related to HSP.



13.3. Supplier shall comply with the safety and reliability requirements according to the respective internationally recognized initiatives based on the WCO AFE Framework of Standards (e. g. AEO, C-TPAT). Supplier must inform the HSP immediately if the safety, reliability requirements or strict compliance cannot be fulfilled.

14. Quality Management, Subcontracting to Third Parties

- 14.1. Supplier shall meet state-of-the-art of science and technology standards, safety provisions and agreed technical specifications for its consignments. For this purpose, Supplier shall establish and maintain an appropriate quality management (e.g. ISO 9001) and provide evidence thereof.
- 14.2. Subcontracting to third parties shall not take place without the prior written consent of HSP and any violation entitles HSP to cancel the contract in whole or in part and claim damages.
- 14.3. HSP may, upon reasonable notice, audit Supplier's facilities, operations, and relevant records to verify compliance with quality and regulatory standards. Supplier shall provide reasonable assistance, and promptly address any deficiencies identified during such audits at no additional cost to HSP.

15. Product, Product Related Environmental Protection

- 15.1. Supplier shall ensure that all products comply with applicable statutory and legal requirements for their placement and marketing in the European Economic Area or other relevant countries notified by HSP at the time of transfer of risk. Supplier must also provide all necessary compliance documents and information upon request.
- 15.2. If products contain substances listed in the "List of Declarable Substances" (www.bomcheck.net/ or are subject to statutory substance restrictions and/or information requirements (e. g. REACH, RoHS), Supplier shall declare and provide the required information in the BOMcheck database (www.BOMcheck.net) by the date of first delivery. This requirement applies to relevant laws at the registered seat of Supplier, HSP, or the place of destination.
- 15.3. In case of deliveries containing goods classified as dangerous goods under international regulations, Supplier must inform HSP in an agreed form, no later than the order confirmation date.
- 15.4. Supplier shall promptly provide all necessary data and information as required by the EU Carbon Border Adjustment Mechanism ("**CBAM**") to ensure HSP meets its obligations. CBAM guidance can be accessed on the official CBAM website.

16. Compliance, Export Control, and Foreign Trade Data Regulations

- 16.1. Supplier shall comply with all applicable laws, regulations, and industry standards relevant to the provision of Goods under these Terms.
- 16.2. Supplier shall comply with all applicable export control, customs and foreign trade regulations ("**Foreign Trade Regulations**"), including those of the US, the UK, and the EU.



At the time the order is accepted by Supplier, Supplier shall identify the part of the Goods subject to Foreign Trade Regulations and shall provide all relevant Foreign Trade Regulations information, for all Goods, including without limitation: (i) all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN); (ii) the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; (iii) the country of origin (non-preferential origin); and upon request of HSP Supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers). And (iv) upon request of HSP: evidence of the country of origin of the iron and steel inputs used for the processing of the products.

- 16.3. HSP shall not be obligated to fulfill the contract if such fulfillment is prevented by any impediments arising out of national or international Foreign Trade Regulations or any embargoes or other sanctions.

17. Replacement Parts and Availability

Failing an agreement to the contrary, Supplier shall be obligated to deliver replacement parts at appropriate conditions for the period of ordinary technical use, no less, however, than for 15 years after delivery of the last Goods.

18. Final Provisions

- 18.1. The contract and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including non-contractual disputes or claims) shall be exclusively governed by and construed in accordance with the substantive laws at the registered office of the HSP entity issuing the purchase order, excluding any conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 18.2. All disputes arising out of or in connection with the contract shall be submitted to the International Court of Arbitration of the International Chamber of Commerce and shall be finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**"). If the value of the total matter in dispute, including the value of any counterclaims, is € 1 million or above, the expedited procedure provisions of the Rules shall not apply, and the arbitral tribunal shall consist of three arbitrators, otherwise one arbitrator. If the tribunal consists of three arbitrators, each party shall nominate one arbitrator for confirmation by the ICC. Both arbitrators shall agree on the third arbitrator, within 30 calendar days after their appointment. Should the two arbitrators fail to reach agreement on the third arbitrator within the thirty-day period, the ICC shall select and appoint the third arbitrator. The language to be used in the arbitration proceeding shall be English. Any order for the production or disclosure of documents shall be limited to the documents on which each party specifically relies in its submission(s).



18.3. The seat of arbitration shall be as follows:

Registered address of HSP entity in country	Seat of arbitration
Austria	Linz, Austria
Brazil	Sao Paulo, Brazil
Bulgaria	Sofia, Bulgaria
Canada	Toronto, Canada
China	Singapore, Singapore
France	Paris, France
Germany	Berlin, Germany
Italy	Milan, Italy
USA	Toronto, Canada

18.4. Any individual provision of these Terms, which is or becomes invalid, illegal or unenforceable under any law of any jurisdiction which affects the performance of the contract or any omission to provide for any subject matter shall not affect the validity of the remaining provisions of these Terms. In such cases, the parties undertake to replace such provision with a valid provision that as closely as possible reflects the economic purpose of the invalid, illegal or unenforceable provision.