

Standard Terms and Conditions for Purchases and Contracts

These Standard Terms and Conditions for Purchases and Contracts shall form an integral part of all contracts entered into with our suppliers and contractors (hereinafter referred to as "Supplier"), and shall apply also in current or future relationships. Any deviating agreements, including, but not limited to, conflicting terms and conditions of our Suppliers, as well as side agreements are subject to our express written approval in each case in order to be effective and become an integral part of the contract.

1. Quotations and binding contracts

- 1.1 The Supplier shall submit quotations to us free of charge. In its quotations, Supplier shall adhere to our inquiry with regard to quantities, quality and design and in case of deviations there from expressly point these out in writing. The preceding sentence shall apply accordingly to the Supplier's acknowledgement of orders.
- 1.2 Our purchase orders are binding on us only if we have expressly placed them as such.

2. Prices

- 2.1 All prices quoted to us by the Supplier and/or prices agreed upon with us are fixed prices exclusive of value-added tax.
- 2.2 The prices shall include compensation for all goods and services ordered from the Supplier (including any certificates, drawings, assessments, etc., that may be required, in German and English), and all ancillary costs (also including costs of transportation, insurance, customs, and packaging) and shall be free place of use specified by us.
- 2.3 Any goods/services not included in a contract shall be compensated by us only if we ordered them from the Supplier prior to the delivery of the goods and the performance of the services.
- 2.4 Any charge based on numbers of items, measurements and weights shall be subject to the values determined during our receiving inspection.

3. Periods and dates

- 3.1 The periods and dates specified in our purchase orders are binding on the Supplier.
- 3.2 If it becomes evident to the Supplier that a date/period will be exceeded, the Supplier shall notify us without delay of the reason and the expected duration of the delay.

4. Contractual penalty

- 4.1 If as a result of default the Supplier exceeds one or several of the dates/periods agreed upon with it, the Supplier shall pay to us a contractual penalty at the rate of 0.1% of the net contract price for every business day the date/period is exceeded. The amount of the contractual penalty shall be limited – even in the event that several individual dates/periods have been exceeded – to a maximum of 5% of the net contract price.
- 4.2 The reservation of the right to impose a contractual penalty may be asserted until final payment is made. Payment of the contractual penalty shall not release the Supplier from its contractual obligations nor from the Supplier being subject to further damages, in particular for default.

5. Shipment, passing of risk, and insurance

- 5.1 Delivery items shall be forwarded to the place of use specified by us where the risk of accidental loss or accidental deterioration of these goods shall pass to us. All samples, catalogues and printed matter must always be sent to us separately from the delivery items.
- 5.2 The Supplier must ensure that the delivery items/services and the presentation and packaging thereof do not allow to make any conclusion as to their origin and provenance.
- 5.3 On the day of dispatch of each shipment the Supplier shall provide us with a dispatch notice (in duplicate) specifying our order number, the quantity and exact description of the goods. Otherwise, we are entitled to refuse taking receipt of the shipment at the Supplier's expense.
- 5.4 The Supplier must take out insurance at its expense for all delivery items at replacement value for the period until they are delivered to us (acceptance of performance) covering accidental loss (in particular due to fire and theft) and accidental deterioration.
- 5.5 We reserve the right to refuse taking receipt of / accepting partial deliveries, excess delivery or incomplete shipments that have not been agreed upon.
- 5.6 We are entitled to refuse taking delivery of an item for as long as an event of force majeure or other circumstances outside our control (including labor disputes) have arisen that make it impossible or unreasonable to take receipt of the item. In any such case, the Supplier must store that item at its costs and its risk and insure it until our taking receipt of such item.
- 5.7 If we have agreed with the Supplier that the shipment shall not be made to us but to a third party, the Supplier must provide proof to us of the shipment to such third party by way of a receipt from that third party.

6. Provision of materials, documentation, and prevention of accidents

- 6.1 The Supplier is liable for the loss of or damage to anything provided by us (material, substances, etc.). In the event of loss of, damage to, or defects of items provided by us, the Supplier must interrupt the processing thereof without delay and notify us in writing.
- 6.2 Any items provided by us shall be treated and processed on our behalf and shall remain our property during any phase of treating

or processing. Should such processing involve other items not belonging to us, we shall be co-owners of the new item at the ratio of the value of our order to that of all components used to produce

the new item and the Supplier's expenses for the processing thereof. To this extent, the Supplier shall store the items on our behalf free of charge. This shall apply accordingly if the title to the items provided by us is lost by mixing and blending.

- 6.3 All documents and data provided by us to the Supplier shall not be used for any purpose other than the preparation of the quotation and the performance of the purchase/work order. The Supplier must keep them in safe custody, protect them from third party access (confidentiality) and return them to us without delay and without special request together with all copies thereof upon completion of our inquiry or our purchase/work order. To this extent, the Supplier's right of retention / right to withhold performance is excluded.

7. Invoices and payments

- 7.1 Upon delivery of the goods/services in conformity with the contract, the Supplier shall submit its invoices for each delivery separately, in triplicate, citing the order number and, where applicable (cf. Sec. 5.7 hereof), with a receipt attached. The statutory amount of the VAT shall be stated separately in all invoices of the Supplier.
- 7.2 The Supplier's payment claims against us shall be due and payable thirty (30) days after receipt of the delivery/acceptance of work and submission of the documents pertaining thereto and of proper and verifiable invoices pursuant to Clause 7.1 above, but no earlier than at the contractually agreed date of delivery or completion of work. Should we pay within ten (10) days of receipt of the invoice / delivery, the Supplier shall grant us a two percent (2%) cash discount.

8. Set-off and retention

- 8.1 Any set-off by the Supplier with counter-claims of the Supplier against claims we have against it shall not be effective unless such counter-claims are uncontested or have been established as final and absolute.
- 8.2 The Supplier is not entitled to retain items to be delivered or services to be performed because of any counter-claims of the Supplier against us from previous transactions or other transactions under a current business relationship.
- 8.3 We have the right to declare the set-off against the Supplier's claims with any claims to which we are, or any other company affiliated with the Heinrich Rönner Group is, entitled, if and to the extent there is no statutory exclusion of set-off (such as the prohibition to set off against claims based on torts). Set-off shall be permitted also in cases where cash payment from one party and payment by bill of exchange or other consideration from the other party on account of performance (i.e. the bill of exchange or other consideration shall not operate as a discharge until honored) has been agreed upon. These agreements may refer to the balance only, as the case may be. If the claims fall due at different dates, they shall be settled taking the corresponding value dates into account.

9. Defects

- 9.1 The Supplier shall ensure that the delivery item / service has the quality agreed upon with us, is in accordance with the state of the art in science and technology at the time of taking receipt / acceptance, and that the delivery item / service has no inherent issues nullifying or reducing its value or fitness for its customary use or the use required under the contract with us. The Supplier shall further ensure that the use of the delivery item / service does not infringe third-party rights, including, but not limited to, patents or other intellectual property rights.
- 9.2 If the delivery item / service is defective, we are entitled to the statutory claims and rights in the event of defects, without any restriction, with the proviso that the period of notice of defect pursuant to Section 377 German Commercial Code (*Handelsgesetzbuch; HGB*) shall be at least eight (8) business days. In the event of latent defects, in particular in the case of defects that become apparent only at the time of processing or putting the item of delivery / service into operation, the period of notice of defect shall start to run only upon the discovery of any such defect.
- 9.3 To the extent that we have reviewed productions and/or general technical data based on drawings sent to us, and have released samples of the item to be delivered / service for serial production, this shall not release the Supplier from the performance of the obligations incumbent upon it in conformity with the contract. Our review does in particular not cover adequate dimensioning and the proper choice of the materials used.

10. Liability

- 10.1 Claims for damages and the compensation of expenses by the Supplier (hereinafter referred to as "Damage Claims") against us