

GENERAL CONDITIONS OF PURCHASE

1. GENERAL PROVISIONS

These General Conditions of Purchase (GCP) govern all business and contractual relations between the Buyer and the Seller, collectively referred to as the "Parties". These GCP apply toward companies, merchants and public corporations. If no further Specific Conditions of Purchase are agreed between the Parties, the GCP in conjunction with the Order form the entire agreement between the Parties (the "Contract"). Prior agreements between the Parties in respect of the subject matter of the Contract are hereby superseded even if they have not been expressly revoked.

2. QUALITY AND DOCUMENTATION

2.01 Changes

Prior to fulfillment of the Contract the Buyer is entitled to change the scope, quantity and / or quality of the items to be delivered in consultation with the Seller (the "Change"). Changes are agreed in writing. If, in the opinion of the Seller, a requested Change has material impact on the agreed fixed price, the time of delivery and / or other main contract content, it is obliged to inform the Buyer in this respect as soon as possible in writing, at the latest within 8 working days after the notification of the requested Change. The Parties will enter into consultations then; if, in the opinion of the Buyer, the consequences of a Change are unreasonable the Parties will adjust the Change accordingly. If the Seller does not object to a requested Change within the above time limit such change will be deemed as accepted.

2.02 Documentation

The Seller is obliged to deliver all corresponding documentation to the Buyer prior to or simultaneously with delivery. Such documentation shall include (but is not limited to) any and all product-specific documents necessary for the use and for a possible resale of the items, such as data sheets, user's manuals, list of parts, delivery note and shipping documents. The Buyer is free to use this documentation, including the multiplication thereof for his own use.

2.03 Quality improvements

The Parties will inform each other on possibilities to improve on quality and safety. In this regards the Buyer provides information on its website or further documents or information on request.

2.04 Inspection

The Buyer is entitled at all times to (have others, including eligible governmental agents) inspect goods and documentation during production, processing and storage as well as after delivery.

2.05 Incoming goods inspection

In case applicable law provides for the merchant's obligation to inspect and give notice of defects, the statutory provisions shall apply with the following provisos:

The Buyer's obligation to inspect is limited to defects which are recognizable during quality control in a random sampling procedure including the shipping documents (e. g., transport damage, incorrect or short delivery). If formal acceptance has been agreed, there is no obligation to inspect. The Buyer's notice of defects will be deemed to have been given promptly and without due delay if it is sent within 8 business days from discovery or, for defects visible at the day of delivery, from delivery.

At first request, the Seller shall provide access to the Buyer or his representative to the place of production, processing or storage. The Seller will impose a corresponding obligation to its suppliers. If an incoming goods inspection cannot take place at the intended time due to the actions of the supplier or if an inspection must be repeated, the costs arising for the Buyer from this will be borne by the Seller.

3. PACKAGING

The Seller shall ensure that all used packaging and transport materials are in compliance with relevant regulations for safety and environmental protection.

The Seller shall be responsible for taking back any used and empty packaging or transport material at its own cost. Any failure to do so and consequent effort by the Buyer shall be reimbursed by the Seller.

4. DEFAULT; CONTRACTUAL PENALTY

If the Seller culpably fails to comply with a delivery deadline determined in the Order the Seller gets into default without further warning or setting of a grace period.

In case of default the Buyer may dissolve the Contract in whole or in part without prejudice to other rights, and shall be entitled to return any goods already delivered at the expense and risk of the Seller for a consequent refund of payments. If the Buyer decides to keep all or part of the goods which have already been delivered, the Buyer shall pay a proportional part of the agreed price, reflecting the value of the good and the Buyer's effort arising from the situation. The Buyer's shall be entitled to deduct default damages and its costs reasonably incurred by default.

If the Seller defaults on a delivery or service, the Buyer is entitled to charge liquidated damages of up to 10% by increments of 1% per week in case of delay if nothing to the contrary is specified in the Order. The Buyer's right to withdraw from the Contract or assert further claims (e.g., claims to damage compensation) will remain unaffected from any penalty agreed under the Contract. The Buyer can declare the assertion of the contractual penalty subject to the final payment even if it accepted the delivery or service without any particular reservation.

If it becomes recognizable to the Seller that it will not be able to comply with a performance deadline in part or in full, it must notify the Buyer in writing without undue delay, specifying grounds and the anticipated duration of the delay. If this obligation is culpably breached the Seller is liable for damages from late notification.

5. WARRANTY AND WARRANTY PERIOD

The Seller warrants that the goods and any installation / assembly thereof comply with the agreed specification. The Seller warrants that the goods / services are fit for the intended use under the Contract. It ensures that all parts, auxiliary materials, accessories, tools, spare parts, instructions for use and instruction manuals, which are necessary for the realization of the purpose stated in writing by the Buyer, are also included, even if they are not mentioned specifically.

The Seller warrants that the delivered product complies with all relevant legal provisions concerning, inter alia, quality, environment, safety and health.

The Buyer is entitled to reject deliveries in part or in full if and when (i) deliveries are defective, (ii) do not comply with the agreed specifications and / or (iii) are not fit for use (collectively the "Warranty Case"). In a Warranty Case, the Seller will take care of repair or replacement of the delivered goods within 5 working days as from receipt of the Buyer's notification. If the Seller refuses rectification, denies a Warranty Case or does not fulfill its obligation within the 5 days grace period, the Buyer is entitled to make a covering purchase for the respective items from a third party, or to rectify defects by a third party at the expense and risk of the Seller. If the Seller does not take back the rejected delivered goods within 10 working days, the Buyer has the right to return the goods to the Seller at his expense. In urgent cases, especially if there is imminent danger or to avoid greater damages, the Buyer may also rectify defects itself, have them rectified, or procure a replacement, at the Seller's expense, without granting the above grace period. The Buyer shall inform the Seller thereof without undue delay.

Warranty period: Unless otherwise agreed, the statute of limitation for defect claims is 36 months after the risk is

transferred (or, if acceptance is agreed, after the acceptance). If longer periods are stipulated in the Order or by law (e.g., warranty claims for construction), those periods will apply. For repaired or replaced parts, the statute of limitations shall start running again from the time the defect is remedied. The 36-months limitation period also applies to claims from defects of title, whereby the statutory limitation period for third-party claims for surrender in rem will remain unaffected. Claims from defects of title will not become time-barred in any case, as long as the third party can still assert the right against the Buyer, especially because it is not yet time-barred.

6. DELIVERY

6.01 Acceptance

A delivery can only be considered accepted once all necessary or agreed checks and documentation have been validated by the Buyer. Acceptance shall not be conclusive of the absence of latent defect and shall be without prejudice to the rights of the Buyer, under the Contract or at law, and to the right of the Buyer and/or the Customer to call on the Seller for defects and/or cases of non-compliance with the specification that may appear later.

6.02 Incoterms

Unless agreed otherwise in writing, delivery shall be made DDP (Incoterms 2010) at the agreed destination.

7. PRICES AND PRICE REVISION

The prices are exclusive of VAT and include all costs in connection with the fulfillment of the obligations of the Seller. The prices are fixed, unless the Contract mentions the circumstances that may lead to price adjustments, and the way in which the adjustment takes place.

8. INVOICING AND PAYMENT

Payment shall be done by electronic bank transfer. VAT, if applicable, must be shown separately on the invoices. If no other agreements apply, payment is done after **30 days net**, upon reception of a proper and due invoice and complete delivery of the corresponding Order. Payment default at an earlier time is excluded. If the deadline is not defined but definable in terms of time, default requires the receipt of a warning by the Seller.

Payment does not constitute acceptance of the invoice or the delivery.

The Buyer will not owe any interest on maturity. The default interest is limited to 5 percentage points above the base interest rate of the European Central Bank.

9. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS (IP)

The Seller guarantees that the delivery items or services are free from third-party rights. If third-party industrial property rights are breached, the Seller will compensate the Buyer for all damages incurred thereby, regardless of culpability. The Buyer may also obtain from the holder of such protective rights the required permit for the delivery object or service, at the Seller's reasonable expense, if the Seller is unable to remedy the defect of title within a reasonable period.

The Seller shall not acquire any IP from the Buyer if not explicitly agreed under the Contract. Any and all of the Buyer's IP rights shall remain solely the property of the Buyer.

10. CONFIDENTIALITY

The Seller shall treat all technical and commercial information exchanged with the Buyer in the course of the business relation as confidential. In particular drawings, models, design, pictures, quality documents, process descriptions etc., shall not be made available to any third party other than for the purpose of the Contract.

Reproduction of such documents shall only be allowed within the frame of applicable copyrights.

The Seller shall bind sub-contractors to structurally the same type of confidentiality agreement.

The Seller shall only be allowed to promote or advertise with an ongoing business relation with the Buyer or the HOYER-Group upon written approval of the Buyer. A given consent can be revoked at any time without giving reasons.

11. FORCE MAJEURE

Delays or failure in performance of the Contract resulting from events which are in their essence unforeseeable, unavoidable or clearly outside of control of either Party not by their fault or negligence like natural disasters, war or warlike conditions shall be considered as Force majeure.

Such events shall relieve the Parties from affected obligations of the Contract during the time of disruption.

The Party claiming a force majeure event shall immediately notify the other Party after becoming aware of any adverse effect on the performance of the Contract caused by such event and shall detail to its best knowledge the probable duration and measures taken to remedy the situation or recover any effects from delays or failures linked thereto.

In case the end of the disruption to the performance of the contract is unforeseeable or the disruption is persisting more than 3 months either Party can terminate the contract without prejudice to any rights accrued from the performance of the Contract to that date or at law.

12. WORKING ON OR VISITING THE PREMISES OF THE BUYER

Before starting any work or other activities on the premises of the Buyer, the Seller must inform itself about necessary precaution and safety measures on the site and in the buildings of the Buyer where the work may be performed.

13. INSURANCE

The Seller is obliged to take out (and to maintain during the performance of the Contract) a policy for a business liability insurance with an amount covered of at least EUR 1.000.000 [1 million] per damaging event for personal injuries as well as property and pecuniary losses.

The Seller will indemnify the Buyer and hold the Buyer harmless against damage compensation claims asserted against the Buyer due to a defect in a product that the Seller has delivered. Within this framework, the Seller will also reimburse any expenses which arise from or in relation to a recall action the Buyer has performed. The Seller will take out product liability insurance at the Seller's expense with an adequate coverage amount of at least EUR 5.000.000 [5 million] in a lump sum per incident of personal injury, financial damages and material damage, given that such insurance coverage must cover the product recall risk and all damages in connection with a recall.

The Seller is obliged to furnish proof to the Buyer that the above insurances have been taken out at any time on demand. Thus, the Seller will send to the Buyer a copy of the insurance policy on request at any time.

14. OTHER PROVISIONS

14.01 Amendments

Any changes to the Contract or any part thereof, such as but not limited to orders, specifications, demands and other agreements, must be amended to the contract in writing and mutually signed by authorized representatives.

14.02 Severability Clause

Should any of the provisions stated herein be void, become void, be unlawful or unenforceable under law, the Parties shall seek an agreement as close as possible to the original intention of the provision. This shall not compromise the validity of the remaining provisions.

14.03 Contracting to third parties

The Seller shall not without prior written consent by the Buyer subcontract or pass on any Order or any element of the Contract in whole or in part to a third party.

14.04 Place of performance, applicable law, jurisdiction

The place of performance of the contract is the Buyer's place of business.

The competent court for all claims in connection with this Contract shall be the court responsible for the registered seat of the Buyer. The Contract shall be governed by the laws applicable at the seat of the Buyer.

Foreign legislation and treaties, such as the Convention on the International Sale of Goods (CISG) shall not apply.

14.05 Disputes

Disputes between Parties, including those which are regarded as such by one of the Parties only, will be resolved as much as possible amicably by mutual consultation.

If the Parties fail to reach a solution within three (3) months of the first Party's notifying such dispute, the dispute will be settled by the competent court in the district where the Buyer's company is located.

14.06 Obligations of the Seller

The Seller is responsible for carrying out its performance under the Contract independently and in compliance with the latest standards of technology.

In its performance the Seller shall observe all current regulations concerning, among other things, safety and the environment.

This means that unless otherwise agreed in writing, HOYER's requirements on business conduct, safety and sustainability along with the GCPs, policies and terms and conditions, as displayed on the HOYER website and amended or changed from time to time, shall be binding for the Seller.

The Seller shall continue delivering and carrying out work properly under the Contract even in case of dispute, as long as there is no resolution or an instruction by the Buyer to do otherwise.

The Seller shall indemnify the Buyer against liability towards third parties for non-compliance by its obligations under the Contract, or pursuant to applicable law.***