

GENERAL CONDITIONS OF PURCHASE

of the company

Maschinenfabrik Kaspar Walter GmbH & Co. KG
Konrad-Zuse-Bogen 18
D-82152 Krailling

Local Court of Munich registration number: HRA 46630,
Register Court
VAT ID no. DE 130002107

(valid since 1 June 2019)

1. General, scope of application

- 1.1 Kaspar Walter GmbH & Co. KG, Konrad-Zuse-Bogen 18, 82152 Krailling ("K. Walter") places its purchase orders for goods and services exclusively on the basis of these Conditions of Purchase. They have to applied to any business transaction with companies (§ 14 of the German Civil Code *BGB*), corporations under public law, and special funds under public law. Unless otherwise expressly agreed in writing, our Conditions of Purchase shall apply in the case of ongoing business relationships also when call or follow-up orders are placed verbally or over the phone. These Conditions of Purchase replace and/or render our previous Conditions of Purchase ineffective.
- 1.2 With the order confirmation or execution of the service/delivery, the contracting party ("the Supplier") agrees that our Conditions of Purchase apply. Other terms and conditions of our contractual partners, which contradict these Conditions of Purchase, will not become part of the contract, even if not expressly rejected. The acceptance of the goods or services in knowledge of conflicting conditions does not lead to their acknowledgment.

2. Offer, conclusion of the contract, acquisition costs

- 2.1 Written declarations, titled by us as "order", mean a binding offer to conclude a contract. We are entitled at any time to revoke such an order until it has been accepted by the Supplier. The Supplier is obliged to accept our contract offer within 1 week, unless the offer explicitly includes a different acceptance period. Order confirmations of our Supplier after expiry of the acceptance period and/or with a change in the content of our offer are deemed to be a new offer that requires acceptance by us.
- 2.2 The contract is concluded as soon as we have received the written order confirmation from the contracting party or upon acceptance of the service/delivery.

3. Prices

The agreed prices are fixed prices. Unless agreed otherwise, the prices include delivery "DDP" (according to Incoterms 2010) to the place of receipt named by us.

4. Delivery

- 4.1 The place of receipt and place of fulfillment shall be the registered office of K. Walter in 82152 Krailling, Konrad-Zuse-Bogen 18, unless explicitly agreed differently in an individual case.
- 4.2 Each delivery must contain a delivery note, indicating the details of our order number and item number, our order reference number, the type of packaging, and the quantity and weight of the delivery.
- 4.3 Agreed dates and deadlines are binding. Compliance with the delivery date or delivery period is determined by the date of receipt

of the goods by us. The Supplier bears the risk of damage to or loss of goods until they are accepted by us or our representative at the place to which the goods are to be delivered according to the order. If delivery is agreed in deviation to "DDP", the Supplier must provide the goods in good time, taking into account the time to be agreed with the freight forwarder for loading and shipment.

- 4.4 If the Supplier has assumed the installation or assembly, it shall bear, unless otherwise expressly agreed, all necessary ancillary costs, such as travel and accommodation costs, provision of the tool, and additional expenses for meals.
- 4.5 If agreed deadlines are not met, the Supplier shall be liable to us in accordance with the statutory provisions. The Supplier is obligated to notify us immediately in writing if the delivery deadline is exceeded, stating the reasons and the expected duration, if circumstances occur or become apparent to it, which indicate that the delivery deadline cannot be met.
- 4.6 The unconditional acceptance of the delayed delivery or service does not constitute a waiver of the claims for compensation due to us for the delayed performance or delivery.
- 4.7 As a rule, we do not accept partial services, unless we have expressly agreed to them or they are reasonable for us. In the event of additional services/deliveries which were not agreed, we may either accept the additionally delivered goods at corresponding value adjustment of the invoice, or store them at the Supplier's expense until it picks them up, or return them to the Supplier at its expense.
- 4.8 We have the right of use to the extent permitted by law with regards to software that belongs to the product delivery, including its documentation.
- 4.9 A prolonged or extended retention of title by the Supplier is excluded, in particular the reservation of title to the delivered goods until all claims from the entire business relationship have been settled completely. In particular, we will not carry out any processing within the meaning of § 950 BGB for the Supplier.

5. Invoicing Terms of payment

- 5.1 Invoices have to be addressed and sent as original documents to the billing address named in the order or acceptance declaration of K. Walter, stating the tax number and - if necessary - the VAT amount and rate as well as the order number, the product number and designation of K. Walter, the order quantity, the delivery quantity and the day of delivery.
- 5.2 We settle invoices after receipt of an invoice issued according to the above numeral 5.1 within 14 days with deduction of 3% discount or within 30 days without deduction. If the invoice has not been issued duly and does not become due for payment as a result, we are obliged to inform our Supplier within 3 working days after becoming aware of the lack of regularity.
- 5.3 We own the set-off and retention rights to the extent permitted by law.

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Registergericht München, HRA 46630, persönlich haftender Gesellschafter: E. Rid Verwaltungs GmbH, Registergericht München, HRB 65881

Geschäftsführer: Christoph Gschoßmann

6. Quality, certification

- 6.1 The delivered goods must comply with the statutory provisions, relevant regulations and guidelines valid both in the state of the registered office of the Supplier and in Germany and on European level. The Supplier is obliged to inform us in writing of any restrictions on use regarding and obligations to declare the delivered goods.
- 6.2 The delivered goods must comply with the characteristics and quality requirements indicated in the documents which form the basis for the order, such as drawings, descriptions, samples and specifications, and in the order itself. The delivered goods also have to comply with the general state of the art, if such does not exist, they must comply with the generally recognized standards. If the Supplier is committed to a quality standard when concluding the contract (e.g. ISO 9001), it is obliged to maintain this with us during the existence of the business relationship and to obtain the certifications required by this standard. This also applies if the requirements of the respective quality standard change during the existence of the contractual relationship with us. The Supplier is obliged to inform us immediately if it is denied a previously existing certification.

7. Warranty [i.e. guarantee given under statutory law]

- 7.1 We are obliged to examine the delivered goods within a reasonable time for any obvious defects.
- 7.2 We are entitled to the statutory warranty claims / rights in full. In case of defects, we can demand subsequent delivery of the defective goods instead of rectification. After a reasonable grace period has unsuccessfully expired or if it is no longer possible to set a grace period because of special urgency, we may remedy the defect, have it carried out by a third party or otherwise obtain replacement at the Supplier's expense after having priorly notified the Supplier.
- 7.3 If the Supplier fulfills its supplementary performance obligation by way of compensation, the period of limitation for the goods delivered as replacement begins to run anew after they have been delivered, unless the Supplier has expressly reserved for the case of supplementary performance to deliver the replacement only as a matter of goodwill, to avoid disputes or in the interest of the continued existence of the business relationship.
- 7.4 If we incur costs as a result of the defective delivery of the object of the contract, in particular transport, travel, labor, installation, dismantling and material costs, the Supplier shall bear these costs.
- 7.5 Claims for defects become time-barred - except in the case of malice - in 2 years. The period of limitation commences upon the delivery of the goods to us (transfer of risk).

8. Liability

- 8.1 If a customer or other third party asserts claims against us on the basis of product liability, the Supplier is obliged to exempt us from such claims upon first written request, if and insofar as the damage was caused or contributed to by an error of the product delivered by it. In the case of fault-based liability, however, this does not apply if the Supplier is not at fault.
- 8.2 Insofar as the cause of the damage is within the scope of responsibility of our Supplier, proof of the causality of the defect for the damage is sufficient; otherwise the Supplier shall bear the burden of proof.
- 8.3 In any case, the Supplier shall bear the costs and expenses in line with the share in the causation/fault caused by it, including the costs of any legal action or recall action; this also applies to recognizable or imminent serial defects.
- 8.4 The contracting party is obliged to cover its liability risk by means of an appropriate policy and to provide us with the appropriate coverage upon request.
- 8.5 The Supplier is liable to us even in case of simple negligence through its employees and agents.
- 8.6 Claims for damages against us - of whatever kind - are excluded if we, our legal representatives or vicarious agents have caused the damage by simple negligence. This disclaimer of liability does not

apply to damage resulting from injury to life, limb and health, or in the case of a breach of material contractual obligations that jeopardize the fulfillment of the purpose of the contract. However, our liability is limited to the contractually typical and foreseeable damage.

9. Intellectual property rights, indemnification

- 9.1 The Supplier is liable for claims that result from the culpable violation of property rights and property rights applications (property rights) in the event of contractual use of the deliverables.
- 9.2 The Supplier indemnifies us and our customers from all claims arising from the use of such property rights insofar as it is responsible for the infringement. This is not the case if the Supplier has manufactured the deliverables according to drawings, models or other equivalent descriptions or specifications provided by us and does not know or does not have to know in connection with the products developed by it that this infringes property rights.
- 9.3 The contracting parties undertake to inform each other immediately before the disclosure of the risks of injury and alleged cases of infringement, and to give themselves the opportunity to counteract such claims by mutual agreement.

10. Force Majeure

In the event of force majeure, such as war or dangers of war, natural disasters, transport or operational disruptions, industrial action, scarcity of raw materials, foreign exchange impediments or similar obstacles to delivery, we shall be released from our contractual obligations for the duration of their existence, in particular from the obligation to accept the goods in a timely manner. If we cannot accept the goods on time due to force majeure as well as other, unforeseen or out-of-our-influence obstacles, which affect the acceptance of the goods, the acceptance period shall be extended appropriately, without them being in default of acceptance. This also applies if these events occur at a time when we are already in default. The contracting partners are obliged to adapt their obligations to the changed circumstances in good faith. We are entitled to withdraw from the contract, in whole or in part, if the delivery and/or or service no longer exploitable by us due to the delay caused by force majeure taking into account economic considerations.

11. Confidentiality

- 11.1 During the pre-contractual stage, during the period of the contractual relationship with us and after the termination thereof, the Supplier is obliged to refrain from
- disclosing company and trade secrets as well as other confidential information and/or documents of ours to third parties, in any manner whatsoever and whether for consideration or free of charge; and/or
 - using this information outside of the contractual relationship with us or enabling third parties to exploit it.
- 11.2 Third parties within the meaning of numeral 11.1 are all persons who do not need to know the respective company and trade secret or the respective confidential information or document in order to perform the performance obligations existing for us. The Supplier undertakes to place all persons to whom it permissibly discloses information under these confidentiality terms.
- 11.3 Confidential information and documents within the meaning of numeral 11.1 are those designated by us as such, unless they have already been known to the public and/or to the Supplier and this knowledge is not based on an unlawful negotiation of the contracting party or third parties.
- 11.4 The Supplier is obliged to pay a contractual penalty in the amount of €5,000.00 for each case of infringement of its obligation of confidentiality. This shall however not affect any further claim for damages as well as the claim for future fulfillment of the existing confidentiality obligation.

12. Ceded information, documents and objects

- 12.1 All objects, in particular illustrations, drawings, calculations, samples, image and sound carriers as well as data carriers which we make available to the contracting partner within the scope of the contract initiation or contract execution remain our property.
- 12.2 The Supplier is obligated to use these items exclusively within the scope of the service relationship with us as intended and with care and not to make them accessible to third parties without our express written consent.
- 12.3 The Supplier is obliged to adequately insure these items at its own expense against damage caused by fire, water and theft. Even today, it assigns all compensation claims from this policy to us. We accept this assignment herewith.
- 12.4 The Supplier is also obliged to carry out all necessary maintenance and inspection work on these items as well as all repair work on the items at its own expense in good time. Furthermore, the Supplier is obligated to notify us of any restrictions on the functionality of the items without delay.
- 12.5 The Supplier is obligated to surrender to us the items and information provided by us during the initiation of the contract immediately on our request upon termination of the contract initiation, and during the term of the contract immediately after it has fulfilled the services for which it requires the individual items. The Supplier does not have a right of retention in this regard.
- 12.6 We are the exclusive owners of the property rights, in particular the copyrights, patent rights, rights of use and design rights as well as the rights associated with these property rights, such as in particular the application right, which belong to the items and information provided.

13. Notification obligations of the Supplier

Our Supplier is obligated to notify us without delay of any facts which become known to it where they may endanger the purpose of the services to be provided by it or which may bring about improved utilization and/or increased economic efficiency of the contractual services for us.

14. Cancellation and termination

- 14.1 In addition to the statutory right of cancellation, we are entitled to cancel or terminate the contract with immediate effect if
- the Supplier has ceased supplying its customers,
 - a material deterioration of the financial circumstances of the Supplier occurs or threatens to occur, endangering the fulfillment of the delivery obligation to us,
 - the elements of insolvency or over-indebtedness eventuate on the part of the Supplier,
 - the Supplier discontinues his payments,
 - the opening of insolvency proceedings or a comparable debt settlement procedure has been applied for over the assets of the Supplier.
- 14.2 Insofar as we cancel or terminate the contract on the basis of the contractual right of cancellation or termination in accordance with numeral 14.1, the Supplier shall reimburse us for the damage which we sustain, unless it is not responsible for the occurrence of [sic!] the right of cancellation or termination.
- 14.3 Our statutory rights and claims remain unaffected by this regulation.
15. Data storage
 The data of our Supplier is stored according to GDPR.

16. Place of fulfillment, place of jurisdiction, choice of law

- 16.1 The place of fulfillment is the place to which the goods have to be delivered properly or at which the services have to be rendered.
- 16.2 The courts of jurisdiction shall be the courts of Munich. However, we are entitled to sue the Supplier at its place of business.
- 16.3 The contractual relationship with our contracting partner is governed by German law to the exclusion of UN sales law.

17. Severability clause

Should one of the provision of these Conditions of Purchase be or become ineffective, the remaining parts of these Conditions remain unaffected and valid. The contracting partners are obliged to replace the ineffective provision by one most closely approximating it in its commercial consequences.