

1. General provisions

- 1.1 The following terms and conditions of purchase of Metallwerk Elisenhütte GmbH (hereinafter referred to as "MEN") apply to all business transactions between MEN and the party to the contract (hereinafter referred to as "Supplier"). They also apply to all future business transactions, even if specific reference is not made to them.
- 1.2 Our terms and conditions of purchase apply exclusively; we do not acknowledge any other conflicting terms or any conditions of the Supplier which are different from our terms unless we have expressly agreed to them in writing. Our terms and conditions of purchase also apply even if we accept the Supplier's delivery without reservation although we are aware of the conflicting terms and conditions of the Supplier.
- 1.3 Individual agreements and special arrangements made between the parties to the contract - such as non-disclosure or quality assurance agreements that are signed with our vendors and suppliers - take precedence over these terms and conditions of purchase. Our terms and conditions of purchase apply only to companies according to § 310 Para. 1 of the German Civil Code (BGB).

2. Foreign trade, Compliance, AEO

2.1 Foreign trade regulations

Our company is subject to foreign trade regulations, especially to the Foreign Trade Law, Foreign Trade Ordinance, the War Weapons Control Act and the Dual-Use Ordinance (EC) No. 428/2009. If and when legal obligations arise for the Supplier with regard to foreign trade regulations as a result of working with us, the Supplier shall demonstrate its compliance with these legal obligations by immediately submitting a copy of the relevant documents and statements without being requested along with the assurance that the copy matches the original. If, due to legal reasons, we need the originals in some cases, the Supplier shall provide us the same. Immediately after signing the contract, the Supplier shall automatically confirm in writing that it is not on the terrorist list of the EU or other sanctions lists of the Security Council of the United Nations, the World Bank and governmental or inter-governmental bodies and organisations and is not associated with companies in any way that are on such sanction lists.

2.2 Compliance

The Supplier shall comply with the applicable law, particularly in the areas of foreign trade law (see section 2.1.), industrial safety and accident prevention, product safety and environmental protection, while carrying out its contractual obligations. The following legal obligations are mentioned by way of example only:

- For deliveries from other EU countries, the Supplier has to obtain the intra-state declaration at its own costs in accordance with the Ordinance (EC) No. 638/2004;
- The Supplier shall meet the obligations of the REACH Ordinance (EC) No. 1907/2006, e.g. the obligation to provide information as per Article 32.

The Supplier shall inform us immediately of any legal regulations or new rules which are relevant for executing the contract if they affect the ability to deliver, the product quality or the agreed quality of work in general and the suitability for use as per the contractual requirements or standard use. In such cases, the Supplier shall agree upon appropriate measures with us. The same applies if the Supplier knows that there may be changes to relevant legal provisions. Foreign trade, tax and customs duty obligations shall be met by the Supplier so that MEN is not doubly taxed.

2.3 Authorised Economic Operators (AEO)

As owner of the certified authorised economic operator (AEO-F), we are required to ensure the secure supply chain together with our business partners. If the supplier already has an AEO certificate, then a copy of the certificate must be sent to us. If the supplier does not have a certificate, then he must take the appropriate actions required to ensure a secure supply chain. For this purpose, the supplier declares that:

- goods produced, stored or transported by contract for Authorised Economic Operators (AEO) or delivered to or taken over by them
 - be produced, stored, processed and loaded in secure plants and at secure transfer sites,
 - during production, storage, processing, loading and transport are secured against unauthorized access,
- that the personnel employed for production, storage, processing, transport and acceptance of such goods are reliable and
- Business partners acting on our behalf us are instructed to also take actions to secure the aforementioned supply chain.

3. Contract conclusion

- 3.1 Purchase orders / orders and their amendments are valid only if we issue them in writing by fax or pdf copy. Purchase orders / orders issued verbally or by telephone are only binding for us if they are confirmed subsequently by sending the purchase order / order in accordance with sentence 1.
- 3.2 The Supplier only has a period of two (2) weeks to accept our purchase order if this order represents the offer for the conclusion of a contract. Order acceptance within one week is desired.
- 3.3 Depending on the case, the drawings specified by us including tolerances are binding. By accepting the purchase order, the Supplier acknowledges that, by reading the documentation, it has been made aware of the method of execution and the scope of services to be rendered. We are not liable for any apparent errors, typing mistakes and calculation errors in the documents, drawings and plans issued by us. The Supplier is obliged to notify us of such errors so that the purchase order can be corrected and renewed. This also applies to missing documents or drawings.

- 3.4 We reserve the right of ownership and copyrights over the documents, files and data carriers (e.g. calculations, designs, design proposals, software) which we provide to the Supplier. These data may be made available to third parties only with our express and prior written consent and must solely be used for production based on our purchase order. After processing the order, they should be automatically returned to us. Files must be destroyed so that they cannot be restored again.
- 3.5 The use of subcontractors requires our prior written consent.
- 3.6 The Supplier may assign its claims against MEN to third parties only with our consent.
- 3.7 We may also request changes to the product or service to be delivered after the contract is concluded, provided that it is reasonable for the Supplier. In doing so, the consequences for both parties to the contract, particularly with regard to increased/reduced costs and delivery dates, must be taken into consideration appropriately. The Supplier must review the change requests for possible consequences within two (2) days and communicate the outcome in writing.

4. Prices and payment terms

- 4.1 Unless otherwise specified explicitly, the agreed prices are fixed. They are to be understood as gross prices in the absence of any other agreement stating otherwise and are based on the "DDP Nassau" agreement. Reference is made to section 7.6 concerning insurance. In the absence of any other written agreement, the price includes delivery, including packaging and insurance.
- 4.2 We pay, unless agreed otherwise in writing, within thirty (30) days of delivery and receipt of invoice with a 3 % discount, or within ninety (90) days after receipt of invoice without deduction.
- 4.3 We shall not pay for multiple deliveries or service in the absence of a separate written agreement. If an appropriate agreement is in place, we shall pay either the contract price or the market price depending on our choice.
- 4.4 By making a payment, we are in no way waiving our rights and claims, particularly with regard to performance and warranty claims, including compensation.

5. Delivery time

- 5.1 Agreed delivery periods and dates are always binding. Delivery dates are calculated from the date of the purchase order.
- 5.2 Since we are committed to deliver to our customers on time, we also rely on timely delivery. If the Supplier is expected to provide services by a fixed date or within a specified period, non-compliance with this clause represents an essential breach of a contractual obligation.
- 5.3 The Supplier is obliged to immediately inform us of the delay in writing, stating the reasons and the expected duration, if circumstances arise that mean the agreed delivery dates cannot be met, or if the Supplier becomes aware of such circumstances.
- 5.4 The Supplier can only rely on the absence of necessary documents to be supplied by us if it has asked for the documents in writing and has not received them within a reasonable period of time.
- 5.5 In case of delayed delivery, we are entitled to claim a contractual penalty amounting to 0.5 % of the shipment value per complete week, but not more than 5 % of the shipment value overall. We reserve the right to claim further damages. A forfeited contractual penalty shall however be offset against the compensation.
- 5.6 In case of a delayed acceptance, the Supplier is entitled to claim reimbursement of provable expenses up to a maximum of 0.2 % of the net value of the shipment per complete week, provided that our default is not intentional or due to gross negligence.
- 5.7 If requested in writing by MEN, the Supplier is obliged to temporarily store the products to be delivered for a period of up to three (3) months free of charge at its premises and ensure that the quality is not affected.

We may also request for the delivery or services to be stopped or delayed for up to six (6) months. In such cases, the parties to the contract should agree on a lump sum compensation amount to cover the additional expenditure incurred by the Supplier as a result of the stoppage or delay. In the absence of such an agreement, the Supplier may request compensation for additional expenditure at its reasonable discretion.

6. Force majeure, cancellation, termination

- 6.1 In case of force majeure and other events such as operational breakdowns or labour disputes for which we are not responsible, the acceptance of goods or services may be delayed for up to six (6) months without us having to pay any compensation.
- 6.2 If the delivery or service is no longer useful from a business point of view due to the delay caused by the above-mentioned circumstances, we are entitled to cancel the contract.
- 6.3 We are also entitled to cancel the contract if the supplier files for insolvency proceedings or if the insolvency proceedings are opened based on some other application or the insolvency proceedings are refused due to lack of assets.
- 6.4 We are entitled to terminate work contracts at any time. The following applies with regard to the consequences of termination:

If the contract is terminated by MEN for reasons attributable to the Supplier, the Supplier shall receive the agreed payment for the services properly delivered up until the termination of the contract. Further compensation claims by the Supplier are excluded. Compensation claims by MEN remain unaffected by this. The Supplier has to bear the additional expenditure incurred by MEN.

If the contract is terminated by MEN for reasons not attributable to the Supplier, the Supplier shall still receive the agreed payment for the services properly delivered up until the termination of contract. If the Supplier incurred expenditure that exceeded the cost of the partial services provided so far, the Supplier may claim compensation but not more than 5 % of the remaining order value exceeding the partial services already provided.

- 6.5 We are also entitled to terminate purchase contracts for deliveries at any time up until the complete hand-over of the shipment. In this case, the provisions of Para. 6.4 above are applicable with regard to the Supplier's claims.

7. Delivery and transfer of risk

- 7.1 The delivery costs are to be borne by the Supplier and the shipment should be delivered to the delivery location specified by us.
- If, in exceptional cases, we agree to pay the freight, the Supplier must choose the mode of transport specified by us, or the most economical mode of transport and delivery.
- 7.2 All the documentation components should be shipped free of charge with the goods. These include in particular storage, assembly and operating instructions as well as documentation components for repair and maintenance of the delivered service/product. The delivery of documentation components is one of the main obligations which the supplier has to comply with, as part of the deliveries and services he is obliged to provide as per the contract.
- 7.3 The risk is transferred to the specified delivery location upon delivery of the goods.
- In the case of work performances, the risk is transferred once accepted by us. The acceptance takes place in writing with the acceptance report.
- 7.4 The Supplier shall properly pack the goods according to our respective shipping instructions and send them to us, and inform us a day before the shipment. The purchase order date, purchase order number and item number, article number, supplier number, and the batch description should be specified on all the shipping documents and invoices. Partial or remaining deliveries should be marked as such.
- In the absence of the above-mentioned information and/or documents, we shall not be responsible for delays in processing. We may deduct the costs incurred by us, due to non-compliance with the above condition, from the respective invoice amount.
- 7.5 If, as an exception, the packaging cost is not included in the price, then the packaging should be calculated on cost price basis. The Supplier must ensure that the packaging adequately protects the goods against damage. Any packaging specifications from MEN must be followed. If the Supplier takes back the packaging due to legal obligations, it is an obligation to be performed at the place of business of the debtor. If, in exceptional cases, the cost of packaging is invoiced, we are entitled to send back to the Supplier any packaging in good condition against a payment of two-thirds (2/3) of the invoice value for this with freight paid.
- Packaging which is not invoiced separately shall be returned only if the Supplier requests this expressly and at its own expense.
- 7.6 The Supplier is obliged to take out adequate insurance for the delivery at its own cost, unless otherwise expressly agreed.
- 7.7 We shall accept partial deliveries only if expressly agreed.

8. Warranty

- 8.1 The type and extent of warranty depends on the contract, in particular our purchase order / order, any quality assurance agreement, these terms and conditions of purchase and the letter of acceptance of the Supplier.
- 8.2 Irrespective of any separately agreed measures and procedures for quality assurance, the Supplier carries out a pre-delivery inspection to the extent to which MEN is obliged to carry out the incoming goods inspection according to § 377 Para 1 of the German Commercial Code (HGB) (commercial inspection obligation). The incoming goods inspection at MEN should be reduced in order to avoid complete duplication of inspections and in view of the fact that defective products cannot be identified or identified only with unreasonable effort at MEN before production and processing.
- The following terms are agreed for the incoming goods inspection by MEN:
- Subject to a separate agreement, MEN shall inspect incoming goods first for obvious damage from transport and other apparent defects on a spot-check basis. If MEN finds defects at this point, it will be brought to the Supplier's notice immediately.
 - After this, MEN shall determine the identity of the shipment by comparing the purchase order with the delivery note and the contents of the shipment. Any discrepancies will also be brought to the notice of the Supplier immediately.
 - There are no additional inspection obligations. The Supplier shall not raise objections in case of late inspections.
 - Defects that are not detected by MEN in the above inspections shall be brought to the Supplier's notice as soon as they are detected in the normal course of production and business within a reasonable period.
- The Supplier will ensure that its liability insurance acknowledges the above-mentioned amendment of the legal liability provision, without this affecting the existing cover of its liability insurance.
- Any measures taken in connection with a government inspection shall not relieve the supplier of his own responsibility for quality assurance.
- 8.3 In case of a technical acceptance / approval before delivery / service provision, we bear the personnel costs and the Supplier bears the material costs.
- 8.4 We are entitled to make legal claims for defects in full. In all cases, we are entitled to choose whether to ask the Supplier to rectify defective goods or to send a new shipment. We are therefore not obliged to give the Supplier the option of subsequent performance. We explicitly reserve the right to claim compensation, especially to claim compensation in place of service provision.
- 8.5 We have the right to cancel the contract and claim compensation in place of the complete service provision even in cases of minor deviations from the agreed quality or minor impairment of the usability.
- 8.6 If we give the Supplier a chance to rectify the defect, the rectification is considered as failed after the first unsuccessful attempt unless we explicitly give another chance.
- 8.7 We are entitled to carry out the rectification ourselves at the Supplier's expense if there is exigent circumstance or particular urgency. In case of international supply relationships, this applies even if there is no exigent circumstance or particular urgency.

- 8.8 The Supplier shall indemnify us against all claims of our customers which could arise based on advertising messages made by the Supplier, its sub-suppliers or agents of these and which would not have arisen in the absence of the advertising messages or at least not in this manner or magnitude. This rule applies regardless of whether the advertising message is made before or after this agreement is signed.
- 8.9 The limitation period for warranty claims is 36 months.

The limitation of warranty claims shall be suspended in favour of MEN on issuance of a notification of defect until the Supplier definitively rejects our warranty claims in writing.

- 8.10 For our security, the Supplier hereby transfers to us the warranty and liability claims to which it is entitled against its sub-suppliers. We accept this transfer. We have the right to freely decide whether we make a claim against the Supplier or its sub-suppliers. The Supplier shall provide us with all necessary documents and information for filing such claims against its sub-suppliers.

9. Product liability, liability insurance cover

- 9.1 If the Supplier is responsible for a defective product, it is obliged to indemnify us against compensation claims of third parties at first request in this respect because the cause lies within its domain and organisational area and it is itself liable vis-à-vis third parties.
- 9.2 As part of its liability for defects within the meaning of section 9.1, the Supplier is also obliged to reimburse any expenditure incurred from or in connection with any of our recall actions. We shall inform the Supplier, as far as possible and reasonable, about the content and scope of the recall measures to be carried out and give the Supplier the opportunity to comment. Other legal claims remain unaffected.
- 9.3 The Supplier is obliged to insure itself against all risks arising from product liability, including a reasonable recall risk but at least with a coverage of € 10 million each time per personal injury / property damage case. Proof of the insurance must be submitted to us on request. If we are entitled to further compensation claims, they shall remain unaffected.

10. Ownership, provision, tools

- 10.1 If we provide parts to the Supplier, we reserve the right of ownership over these. Processing or modifications shall be carried out by the Supplier for us.
- 10.2 In case of processing, mixing, blending or combining, it shall be agreed now that we are entitled to co-ownership of the new goods or quantity of goods which result from such processing, blending, mixing or combining, which corresponds to the value of the reserved goods (purchase price plus VAT) in relation to the value of the other goods involved in the processing, blending, mixing or combining. The Supplier shall keep the new goods resulting from the processing or the total amount of the mixed, blended or combined goods for us.
- 10.3 Tools which are supplied by us remain our property. The Supplier is obliged to use the tools provided by us exclusively for the production of goods ordered by us. The Supplier is obliged to insure our tools at replacement value at its own expense against damage from fire, water and theft. At the same time, the Supplier hereby transfers all compensation claims from this insurance to us. We hereby accept the transfer. The Supplier is obliged to carry out any required maintenance and inspection work on our tools as well as all maintenance and repair work at its own expense and in good time. Any faults must be brought to our notice immediately. If the Supplier fails to do so culpably, any compensation claims remain unaffected.
- 10.4 Tools, moulds or the like which are manufactured for us, become our property at the time of completion. At our request, the ownership of the tools / moulds must be transferred to us as a precaution. They must be labelled by the Supplier as our property, and insured and stored separately, maintained and repaired free of charge. Our property may be used only for producing goods for us. The tools / moulds must be returned to us at any time if requested. If, in the event of amortisation arrangements, the production costs have not yet been recovered due to lack of orders, the tools will be returned concurrently against payment to compensate the outstanding balance.

11. Property rights

- 11.1 The Supplier vouches that no patents or other property rights of third parties shall be violated in connection with its delivery.
- 11.2 If any third party files claims against us for any violations of property rights, the Supplier is obliged to indemnify us against these claims when first requested to do so in writing.
- 11.3 The indemnification obligation of the Supplier includes all expenditure, particularly legal costs, which has to be incurred by us as a result of or in connection with the claim made by a third party.
- 11.4 The limitation period for liability arising from warranty of title is ten (10) years from date of delivery.
- 11.5 In the absence of a written agreement specifying otherwise, only we are entitled to file property right applications for inventions and samples which are developed by us as part of the contract. This applies even if the Supplier was involved in the development in an inventive capacity. In this case, the Supplier's involvement is compensated by paying the agreed price. Personal rights of inventors remain unaffected.

12. Confidentiality

- 12.1 All information communicated by us or our affiliates during or in the contractual negotiations, along with the purchase order or as part of executing the order, or of which the Supplier becomes aware directly, relating to the subject matter of the contract, the circumstance of MEN or our affiliated companies, is deemed to be "confidential".
- 12.2 Information is not deemed to be "confidential information" if and so long as it has become publicly available with no breach of contract or has been legitimately communicated to the Supplier or its affiliated companies from another source without violating a confidentiality obligation, or if it is the subject of a legal obligation to notify, to the extent of this duty to notify.
- 12.3 The Supplier shall treat all "confidential information" in strict confidence and must not disclose, distribute or publish the confidential information, or make it available to third parties. The Supplier shall limit access to the "confidential information" exclusively to those of its managers, employees or consultants who need to know this information for the purpose of this agreement and bind them to appropriate confidentiality.

- 12.4 In case a contract is not signed and after the end of the contractual relationship, the Supplier and its affiliated companies shall return all the tangible "confidential information" communicated and copies thereof immediately both at the request of MEN and without being requested. Files must be destroyed so that they cannot be restored again.
- 12.5 The obligations of the Supplier arising from this non-disclosure agreement expire ten (10) years after the respective publication of each individual item of "confidential information".

13. Production monitoring, audits

- 13.1 The Supplier shall provide access to its premises and facilities to the representatives of MEN who are bound to confidentiality vis-à-vis third parties during normal operating hours so that they can inspect the Supplier's production processes and quality assurance measures on-site. MEN will give reasonable prior notice to the Supplier about the visit of its representatives.
- 13.2 The Supplier shall provide reasonable and adequate support to MEN while it carries out the quality audits at the Supplier's premises. The Supplier shall provide particular support in the scheduling and conduct of such audits, and provide the necessary support in terms of personnel. In the absence of a separate agreement, MEN shall bear the costs of such audits with the exception of those costs that are incurred by the Supplier as a result of time demands and interviews of its employees.
- 13.3 Measures according to art. 13.1 and 13.2 do not affect the warranty and liability claims of MEN vis-à-vis the Supplier.

14. Place of jurisdiction, place of performance, applicable law, language, legal succession

- 14.1 In case of disputes, the parties to the contract should first try to come to an amicable settlement if possible within four weeks.
- 14.2 The place of jurisdiction for any dispute between us and the Supplier, including any bill of exchange claims, is our business location if the Supplier is a businessman, legal entity under the public law or a special fund under public law, or if it does not have a general place of jurisdiction in the Federal Republic of Germany. We are also entitled to file a suit at the business location of the Supplier.
- 14.3 Disputes do not entitle the contractor to stop the services required of them if MEN explains that the service needs to be continued for the sake of special public interest.
- 14.4 The place of performance for deliveries and payments is the business location of MEN.
- 14.5 The legal relationships between the Supplier and us are subject to German law. For international procurements, the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 applies and, if points of law are not governed there, German substantive law applies in addition.
- 14.6 The contract language is German. The German version of these terms and conditions is authoritative.
- 14.7 We are entitled to transfer the rights and obligations arising from this contract to an affiliated company if, vis-à-vis the status, no change of control is associated with this when the contract is signed.

15. Severability clause

If any individual provision of these terms and conditions is or becomes fully or partly invalid, or if there is a loophole in these terms, the validity of the remaining provisions should not be affected. A provision which comes as close as possible to the sense and purpose of the invalid provision is considered as agreed in place of the invalid provision. In case of a loophole, the provision considered as agreed is the provision that corresponds to what would have been agreed according to the sense and purpose of this terms and conditions, had the matter been considered from the outset.

Metallwerk Eisenhütte GmbH