

General Terms and Conditions of Purchase of VTS International GmbH

§1 General - Scope

(1) Our General Terms and Conditions of Purchase (GTCP) shall apply to all business relations with our business partners and suppliers ("Seller"). The General Terms and Conditions of Purchase shall apply exclusively; we do not recognise any terms and conditions of the Seller that conflict with or deviate from our Terms and Conditions of Purchase unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Purchase shall also apply if we accept the Seller's delivery without reservation in the knowledge that the Seller's terms and conditions conflict with or deviate from our Terms and Conditions of Purchase.

(2) Our General Terms and Conditions of Purchase apply only to companies within the meaning of §§ 14, 310 para 1 BGB (German Civil Code).

(3) The GTCP apply in particular to contracts for the sale and/or delivery of movable goods ("Goods"), irrespective of whether the Seller manufactures the Goods himself or purchases them from suppliers (§§ 433, 650 BGB). Unless otherwise agreed, the GTCP in the version valid at the time of the Purchaser's order or, in any case, in the version most recently communicated to him in text form shall apply as a framework agreement also for similar future contracts, without our having to refer to them again in each individual case.

(4) Agreements made with the Seller in individual cases (including collateral agreements, supplements and amendments) shall in any case take precedence over these GTCP. Subject to proof to the contrary, a written contract or our written confirmation shall be decisive for the content of such agreements.

(4) Our Terms and Conditions of Purchase shall also apply to all future business with the Seller.

§ 2 Offer - Offer documents

(1) Our order shall be deemed binding at the earliest upon written submission or confirmation. The Seller shall notify us of obvious errors (e.g. typing and calculation errors) and incompleteness of the order including the order documents for the purpose of correction or completion before acceptance; otherwise the contract shall be deemed not to have been concluded.

(2) The Seller shall be obliged to confirm our order within a period of one week in writing or in text form or, in particular, to execute it without reservation by dispatching the goods (acceptance). Delayed acceptance shall be deemed to be a new offer and requires our acceptance.

(3) We reserve the property rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without our express written consent. They shall be used exclusively for production based on our order. After the order is processed, they are to be returned to us unsolicited. They are to be kept secret from third parties; in this respect the provision of § 9 para. (5) shall apply in addition.

§ 3 Prices - Terms of Payment

- (1) The prices listed on the order are binding. Unless otherwise agreed in writing, the price includes delivery "free domicile", including packaging. The return of packaging requires a special agreement.
- (2) The statutory VAT is included in the price.
- (3) We can only process invoices if these - in accordance with the specifications in our order - state the order number shown there; the Seller shall be responsible for all consequences arising from non-compliance with this obligation, unless he proves that he is not responsible for them.
- (4) Unless otherwise agreed in writing, we shall pay the purchase price within 14 days, calculated from delivery and receipt of invoice, with a 2% discount or within 60 days from receipt of invoice.
- (5) We are entitled to rights of set-off and retention to the extent permitted by law. In particular, we shall be entitled to withhold due payments as long as we are still entitled to claims from incomplete or defective performance against the Seller. The Seller has a right of set-off or retention only in the case of counterclaims which have been legally established or are undisputed.

§ 4 Delivery time

- (1) The delivery time listed on the order are binding. If the delivery time is not stated in the order and has not been agreed upon otherwise, it shall be **four** weeks from the conclusion of the contract. The Seller is obliged to inform us immediately in writing if circumstances occur or become apparent to him which indicate that the stipulated delivery time cannot be met.
- (2) In the event of a delay in delivery we shall be entitled to the statutory claims. In particular, we shall be entitled to claim damages in lieu of performance after the fruitless expiry of a reasonable deadline.
- (3) In the event of a delay in delivery, we shall be entitled to demand lump-sum damages for delay in the amount of 1% of the net price per completed week, but not more than 5%. We reserve the right to further legal claims (withdrawal and damages instead of performance). The Seller shall have the right to prove to us that no damage or significantly lower damage has been incurred as a result of the delay.

§ 5 Passing of risk - documents

- (1) Unless otherwise agreed in writing, delivery shall be made free domicile to the place specified in the order. If the place of destination is not specified and unless otherwise agreed, delivery shall be made to our registered office in Simmerath. The respective destination is also the place of performance for the delivery and any subsequent performance (obligation to be performed at the place of performance).
- (2) Without our prior written consent, the Seller shall not be entitled to have the performance owed by him rendered by third parties (e.g. subcontractors).

The Seller shall bear the procurement risk for his services, unless otherwise agreed in individual cases (e.g. limitation to stock).

(3) The delivery shall be accompanied by a delivery note stating the date (issue and dispatch), the contents of the delivery (item number and quantity) and our order identification (date and number). If the delivery note is missing or incomplete, we are not responsible for any delays in processing and payment resulting from this. Separated from the delivery note, a corresponding dispatch note with the same content must be sent to us.

(4) The risk of accidental loss and accidental deterioration of the objects is transferred to us with the handover at the place of performance. If acceptance has been agreed, this is decisive for the transfer of risk. The statutory provisions of the law on contracts for work and services shall also apply accordingly in the case of acceptance. If we are in default of acceptance, this shall be equivalent to handover or acceptance.

(5) The statutory provisions shall apply to the occurrence of our default of acceptance. However, the Seller must also expressly offer us his service if a specific or determinable calendar period has been agreed for an action or cooperation on our part (e.g. provision of material). If we are in default of acceptance, the Seller may demand compensation for his additional expenses in accordance with the statutory provisions (§ 304 BGB). If the contract relates to an unacceptable item to be manufactured by the Seller (individual production), the Seller shall only be entitled to further rights if we are obliged to cooperate and are responsible for the failure to cooperate.

§ 6 Inspection of defects - liability for defects

(1) The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating or instruction manuals) and in the event of other breaches of duty by the Seller, unless otherwise provided for below.

(2) In accordance with the statutory provisions, the Seller shall be liable in particular for ensuring that the goods have the agreed quality at the time of transfer of risk to us. In any event, those product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective contract or have been incorporated into the contract in the same way as these GPCP shall be deemed to be an agreement on quality. It makes no difference whether the product description originates from us, the Seller or the manufacturer.

(3) Notwithstanding § 442 para. 1 page 2 BGB, we shall be entitled to claims for defects without limitation even if the defect remained unknown to us at the time of conclusion of the contract due to gross negligence.

(4) The statutory provisions (§§ 377, 381 HGB (German Commercial Code)) shall apply to the commercial obligation to inspect and notify defects with the following proviso: Our duty of inspection is limited to defects which are openly apparent during our incoming goods inspection under external inspection including the delivery documents (e.g. transport damage, wrong and short delivery) or which are recognisable during our quality control by random sampling. Insofar as acceptance has been agreed, there is no obligation to inspect the goods. Otherwise, it depends on the extent to which an inspection is feasible in the normal course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered later remains unaffected. Irrespective of our obligation to inspect, our complaint (notification of defects) shall in any case be deemed to be prompt and timely if it is sent within **5** working days of discovery or, in the case of obvious defects, of delivery.

(5) Subsequent performance shall also include the removal of the defective goods and their reinstallation, provided that the goods have been installed in or attached to another object in accordance with their nature and intended use; our statutory claim to reimbursement of

corresponding expenses shall remain unaffected. The Seller shall bear the expenses necessary for the purpose of inspection and subsequent performance even if it turns out that there was actually no defect. Our liability for damages in the event of unjustified requests for the elimination of defects shall remain unaffected; however, in this respect we shall only be liable if we have recognised or grossly negligently failed to recognise that there was no defect.

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6) Without prejudice to our statutory rights and the provisions in paragraph 5, the following shall apply: If the Seller does not fulfil his obligation to provide subsequent performance - at our discretion either by eliminating the defect (subsequent improvement) or by delivering a defect-free item (replacement delivery) - within a reasonable period of time set by us, we may eliminate the defect ourselves and demand from the Seller reimbursement of the necessary expenses or a corresponding advance payment. If the subsequent performance by the Seller has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline need be set; we shall inform the Seller of such circumstances without delay, if possible in advance.

(7) Otherwise, in the event of a material defect or defect in title, we shall be entitled to reduce the purchase price or to withdraw from the contract in accordance with the statutory provisions. In addition, we shall be entitled to compensation for damages and expenses in accordance with the statutory provisions.

§ 7 Supplier recourse

(1) In addition to claims for defects, we shall be entitled without restriction to our legally determined rights of recourse within a supply chain (supplier recourse according to §§ 445a, 445b, 478 BGB). In particular, we are entitled to demand from the Seller exactly the type of subsequent performance (repair or replacement) that we owe to our customer in the individual case. Our legal right of choice (§ 439 para. 1 BGB) is not restricted by this.

(2) Before we acknowledge or fulfil a claim for defects asserted by our customer (including reimbursement of expenses in accordance with §§ 445a para. 1, 439 para. 2 and 3 BGB), we shall notify the Seller and request a written statement with a brief description of the facts. If a substantiated statement is not made within a reasonable period of time and no amicable solution is reached, the claim for defects actually granted by us shall be deemed to be owed to our customer. In this case, the Seller shall be responsible for providing proof to the contrary.

(3) Our claims arising from Supplier recourse shall also apply if the defective goods have been further processed by us or another entrepreneur, e.g. by installation in another product.

§ 8 Product liability - indemnification - liability insurance protection

(1) Insofar as the Seller is responsible for product damage, he shall be obliged to indemnify us on first request from claims for damages by third parties to the extent that the cause lies within his sphere of control and organisation and he himself is liable in the external relationship.

(2) Within the scope of his own liability for cases of damage within the meaning of paragraph (1), the Seller shall also be obliged to reimburse us for any expenses pursuant to §§ 683, 670 BGB or pursuant to §§ 830, 840, 426 BGB which arise from or in connection with a recall action lawfully carried out by us. We shall inform the Seller of the content and scope of such a recall action - as far as possible and reasonable - in good time in advance and give him the opportunity to comment.

(3) We shall undertake the necessary notification of the respective competent authority in

accordance with the provisions of the ProdSG (Product Safety Act) in consultation with the Seller.

(4) The Seller undertakes to maintain a product liability insurance with an insured coverage total of € 10 million per personal injury/property damage - lump sum - for the duration of this contract, i.e. until the respective expiry of the limitation period for defects; if we are entitled to further claims for damages, these shall remain unaffected.

§ 9 Industrial property rights

(1) The Seller guarantees that no rights of third parties within the Federal Republic of Germany are violated in connection with or by the delivery with his delivery.

(2) If claims are made against us by a third party for this reason, the Seller shall be obliged to indemnify us against these claims and to release us from them upon first written request.

(3) In the event of claims for damages by the third party, the Seller reserves the right to prove that he is not responsible for the violation of the rights of the third party. We shall not be entitled to make any agreements with the third party - without the consent of the Seller - in particular to conclude a settlement.

(4) The Seller's obligation to indemnify us relates to all expenses which we necessarily incur from or in connection with the claims made by a third party, unless the Seller can prove that he is not responsible for the violation of his obligation being the basis for the violation of industrial property rights.

§ 10 Statute of limitations

(1) The reciprocal claims of the contracting parties shall become statute-barred in accordance with the statutory provisions, unless otherwise provided for below.

(2) Notwithstanding § 438 (1) No. 3 BGB, the general limitation period for claims for defects is 3 years from the transfer of risk. Insofar as acceptance has been agreed, the limitation period shall commence upon acceptance. The 3-year period of limitation shall apply accordingly to claims arising from defects of title, whereby the statutory period of limitation for real claims for restitution of property of third parties (§ 438 para. 1 No. 1 BGB) shall remain unaffected; furthermore, claims arising from defects of title shall in no case become statute-barred as long as the third party can still assert the right - in particular in the absence of a period of limitation - against us.

(3) The limitation periods of the law on the sale of goods, including the above extension, shall apply - to the statutory extent - to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (§§ 195, 199 BGB) shall apply here, unless the application of the limitation periods of the law on sales leads to a longer limitation period in individual cases.

§ 11 Retention of title, provision of goods - tools - confidentiality

(1) If we provide parts to the Seller, we reserve the right of ownership. Processing or transformation by the Seller shall be carried out for us. If our reserved goods are processed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of our item (purchase price plus VAT) to the other processed items at the time of processing.

(2) If the item provided by us is inseparably mixed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of the item subject to retention of title (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing is carried out in such a way that the Seller's item is to be regarded as the main item, it shall be deemed agreed that the Seller shall transfer co-ownership to us in proportion to the value of the item provided; the Seller shall keep the sole ownership or co-ownership for us.

(3) We reserve ownership of tools; the Seller is obliged to use the tools exclusively for the manufacture of the goods ordered by us. The Seller is further obliged to insure the tools belonging to us at their replacement value at his own expense against fire, water and theft. At the same time the supplier assigns all compensation claims arising from this insurance us. We accept the assignment. The Seller is obliged to perform any required maintenance and inspection work as well as all servicing and repair work on our tools at his own expense in a timely manner. He shall notify us immediately of any incident whatsoever; claims for damages shall not be affected if he fails to do so by negligence.

(4) Insofar as the security rights to which we are entitled under paragraph (1) and/or paragraph (2) exceed the purchase price of all our unpaid goods subject to retention of title by more than 10%, we shall be obliged to release the security rights of our choice at the Seller's request.

(5) The Seller is obliged to keep all illustrations, drawings, calculations and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The confidentiality obligation shall also apply after the execution of this contract. It shall expire, however, if and to the extent that the production knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known or was demonstrably already known to the Seller at the time of notification within the meaning of sentence 1.

§ 12 Place of jurisdiction - place of performance

(1) If the Seller is a merchant as defined in the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising from the contractual relationship shall be Aachen. The same applies if the Seller is an entrepreneur as defined in § 14 BGB. In all cases, however, we shall also be entitled to bring an action at the place of performance of the delivery obligation in accordance with these GTCP or a prior individual agreement or at the general place of jurisdiction of the Seller. Priority statutory provisions, in particular those relating to exclusive jurisdiction, shall remain unaffected.

(2) Unless otherwise stated in the order, our registered office shall be the place of performance.

(3) These GTCP and the contractual relationship between us and the Seller shall be governed by the law of the Federal Republic of Germany, excluding international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

