

Standard Terms and Conditions of Purchasing and Procurement ("Standard Purchase Terms")

of the company

Josef Brechmann Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft

1. General provisions

These Standard Purchase Terms govern contracts for our purchase of goods or other services (including without limitation works or services) from our contract partner (hereinafter also referred to as "Supplier").

We hereby expressly reject any general terms and conditions of sale or other terms and conditions of Supplier. Such terms and conditions shall not be binding upon us even if we fail to explicitly reject such terms and conditions when entering into any future contract. Likewise, we do not recognise any previously agreed terms of contract of Supplier that conflict with or go beyond these Standard Purchase Terms.

These Standard Purchase Terms also govern any and all future transactions of the above-mentioned kind including if these Standard Terms and Conditions are not explicitly referred to again in an individual case.

2. Recitals

Contracts for delivery (purchase order and acceptance) and call-off orders as well as any modifications and amendments made to such contracts and call-off orders must be made in text form to be effective.

Call-off orders become binding no later than within one (1) week of receipt if Supplier does not object. Supplier shall point out any apparent errors and gaps in the purchase orders. The parties shall clarify technical inconsistencies in writing or by telephone within three (3) working days.

Supplier shall send us an order confirmation that is consistent with our purchase order. The order confirmation shall include, without limitation, the quantity, price, discount, earliest and binding delivery date, and all numbers and codes of our purchase order.

Any deviations in the delivery quantities, prices, discounts, and/or delivery dates requested or ordered by us are binding on us only if confirmed by us in writing.

Our acceptance of partial or full deliveries does not constitute our acknowledgement of any terms that are inconsistent with these Standard Purchase Terms.

3. Delivery dates; deliveries; passage of risk

Compliance with agreed delivery periods is a material contractual obligation of Supplier. Supplier is in default automatically as soon as the delivery period has expired.

The delivery period starts running from the date of our purchase order. If a delivery date is agreed upon using the words "presumably", "approximate", "ca." or similar words, Supplier is allowed a margin of not more than one (1) week.

If Supplier has reason to believe that Supplier's delivery or service or any parts thereof will not be provided or performed on time, Supplier shall promptly notify us thereof in writing, stating the reasons and the expected duration of the delay. Supplier's obligation to compensate us for any damage caused by delay in performance is not affected thereby.

Contracts for sale and other procurement activities are subject to Incoterms 2020, i.e. DDP to the delivery address specified by us. If no particular delivery address has been specified, our registered office shall be deemed to be our delivery address. Goods shall be delivered to and/or handed over at our goods receiving department only.

Supplier shall ensure safe packaging at its own expense. If, by way of exception, we bear the costs for packaging and/or transport, Supplier shall charge such costs at not more than cost price.

Our unconditional acceptance of a delayed delivery or service does not constitute a waiver of any (compensation) claims to which we may be entitled due to the delayed delivery or service.

In the event of late delivery, liquidated damages in the amount of 0.5% of the order total per week commenced, but not exceeding a total of 5%, shall be due unless otherwise agreed. We reserve the right to assert further claims for damages caused by the delay. The liquidated damages shall be set off against any other claim for damages which we may have against Supplier. We are entitled to claim liquidated damages until full payment of

the remuneration owed by us for the delivery or service concerned, even if we did not reserve the right to do so when accepting the delivery or service.

Express deliveries are carried out upon special request only. Supplier shall bear any additional costs incurred in the event of delayed delivery.

In case of a force majeure event the following applies:

- If our operations are impaired by events of force majeure or by strikes or lockouts, internal or external unrest, natural disasters, traffic emergencies, delivery and export bans, boycotts and the like, or in the event of operational disruptions caused by fire, water, explosion and the like, our obligations under the contract are suspended at least for the duration of this event, insofar as the disruption affects the manufacture or delivery of the delivery item. We shall notify Supplier as soon as reasonably possible of the beginning and end of any such obstacles. In addition, Purchaser and/or we are entitled to rescind the contract in whole or in part, without such rescission giving rise to any claims for compensation. In the event of rescission, any payments made in advance shall be reimbursed as soon as reasonably possible. The party to the contract intending to rescind the contract in accordance with the provisions herein above shall give two (2) weeks' notice of its intention to rescind. A permanent business interruption as defined herein above can be assumed to have occurred if the interruption continues for more than five (5) weeks.
- Except as otherwise provided we are entitled to rescind the contract without granting extension of time if Supplier is prevented by force majeure from meeting the delivery times or dates incumbent on Supplier.

4. Quantities and weights

The quantities and weights determined by our incoming goods inspection are the prevailing quantities and weights. Excess or short deliveries require our consent.

5. Prices

Unless otherwise agreed, all prices are DDP (including unloading) to the receiving station specified by us (Schloss Holte-Stukenbrock, Germany) in accordance with Incoterms 2020 and include taxes, customs duties and other ancillary expenses such as any necessary packaging.

All prices are fixed prices as a rule. However, if Supplier prior to delivery implements a general reduction of the prices originally agreed with us, the reduced price shall be charged to us also.

6. Payment

We shall make our payments at our option by cash payment, bank transfer, set-off against counterclaims, or cheque.

Unless otherwise agreed, payments shall be made within fourteen (14) days with a 3% discount or after sixty (60) days net, in each case calculated from the date of performance of the deliveries and services and receipt of the invoice. If deliveries are made earlier than on the agreed date, the agreed delivery date is deemed to be the date of receipt of the invoice even if issued before that date.

Payments are subject to the accuracy of the delivery and the invoice. Payments have no influence on Supplier's warranty obligations.

7. Documents

A delivery note shall be enclosed with each consignment of goods. If possible, the invoice shall be sent to us on the day of dispatch.

The delivery note and invoice must contain our purchase order number.

8. Supplier's retention of title

The Supplier retains ownership of goods delivered until we have fully met our payment obligations with regard to that specific delivery.

However, we are permitted to process, mix, combine or resell such goods delivered in the ordinary course of business. In the event of further processing, mixing or combining we acquire ownership in accordance with

the applicable legal provisions. In the event of resale, we shall assign the claim from the resale to Supplier by way of security in the amount of the outstanding purchase price claim.

9. Outgoing/incoming goods inspection; notice of defects

Supplier's outgoing goods inspection shall ensure that the products delivered under the contract are consistent with the contractual agreements and legal requirements.

Our incoming goods inspection is limited to defects that are immediately recognisable during external inspection, including deviations from the delivery documents, or that are or would be readily apparent in a random sampling procedure. Inspection of the delivery for any other defects is carried out when the contractual product is used for processing by us or our customers. Supplier insofar waives the objection of delayed notice of defects.

We shall promptly notify Supplier of any defects in the delivery which we have detected or which are detectable in the process. Notice of defects is deemed to have been given in good time if given within two (2) weeks of our discovery of the defect. Supplier waives the objection of a delayed complaint in this respect.

Rejected goods are returned at the cost and risk of Supplier.

10. Warranty; statutory limitation

We are entitled to all statutory claims and remedies without restriction in the event of defects in Supplier's deliveries and services, whether material defects or defects in title. We have the choice between rectification and subsequent delivery.

Supplier warrants that its deliveries and services are free from defects.

If Supplier fails to commence subsequent performance promptly after our request for subsequent performance, we are entitled – in urgent cases, including without limitation to avert acute danger or avoid major damage – to carry out subsequent performance ourselves or have it carried out by a third party at Supplier's expense.

For any parts of the delivery that have been restored or repaired, as well as for any replacement deliveries, the limitation period begins to run anew as soon as our claim for subsequent performance has been fully satisfied by Supplier.

In case of material defects, a limitation period of thirty-six (36) months applies unless a longer limitation period is provided by law. In addition to claims based on defects, Purchaser is entitled without restriction to statutory claims and remedies for recourse within the supply chain (e.g. sections 445a, 445b, 478 of the German Civil Code [BGB]); sentence 1 applies accordingly to the limitation period under section 445a of the German Civil Code.

11. Third-party industrial property rights

Supplier warrants that its deliveries and services do not infringe any third-party industrial property rights.

Supplier shall be liable for claims arising from the infringement of industrial property rights and applications for industrial property rights (industrial property rights) if the delivery items are used pursuant to the terms of the contract and shall hold harmless and indemnify us and our customers from and against all claims arising from the use of such industrial property rights unless the infringements of industrial property rights are based on our own specifications or instructions (e.g. drawings, models or other descriptions or information equivalent thereto provided by us).

Unless expressly agreed otherwise, all deliveries must also be free from other third party rights.

12. Provision of material

We retain title to any goods, tools, production resources, illustrations, drawings, calculations, or other documents – hereinafter referred to as "Materials Provided" – which we provide to Supplier or make available to Supplier for processing.

Any processing or transformation of Materials Provided by Supplier shall be carried on our behalf in our capacity as manufacturer within the meaning of section 950 of the German Civil Code. If Materials Provided are processed together with other movable items not owned by us, we acquire co-ownership of the resulting new item in proportion to the ratio between the value of the Materials Provided and the value of the other processed items at the time of processing.

If Materials Provided are inseparably mixed or combined with other movable items, we also acquire co-ownership of the whole item in the ratio stated above at the time of mixing or processing. If this is done in such a way that the items not owned by us are regarded as the main item, it is deemed agreed that Supplier shall transfer co-ownership to us on a pro rata basis in the above-mentioned ratio at the time of mixing or combining.

Supplier shall mark all property of which we have ownership or co-ownership and shall store such property for us separate from other items and using due care.

Materials Provided may be used only for the performance of the respective contract made with us. Supplier shall return the Materials Provided to us not later than upon termination of the business relationship.

Supplier shall:

- examine all Materials Provided delivered by us for their identity as well as for deviations in quantity and visible defects, such inspection to be carried out promptly upon receipt of the Materials Provided and also during the use thereof, to the extent this is feasible in the ordinary course of business; and
- promptly, and prior to the processing of the Materials Provided, report to us any deviation detected during such inspection or at a later time, and
- in such case, wait for our instructions.

Each notice of defects shall be in writing, if possible.

13. Confidentiality

Supplier shall treat as confidential all aspects of the business relationship, including without limitation all financial, commercial, technical and legal information relating to our business, internal affairs, or our employees or management, as well as other information (including documents, data, drawings, records and know-how) from/about us. This obligation survives the termination of the business relationship.

14. Written form

If these terms and conditions or the contract require written form, this also includes text form according to section 126b of the German Civil Code, including without limitation fax, e-mail, or remote data transmission, unless written form is a mandatory statutory requirement.

15. Place of performance and jurisdiction

The place of performance for both parties for all obligations arising from the business relationship, including without limitation for all deliveries, services, and payments, is the place of our registered office (Schloss Holte-Stukenbrock, Germany). This also applies to the place of subsequent performance.

If Supplier is a merchant within the meaning of the law or a legal entity under public law or a special fund under public law, the court responsible at the place of our registered office has exclusive jurisdiction. This also applies if Supplier has its registered office abroad, irrespective of whether the aforementioned further requirements are met. In this case we are also entitled to take legal action against Supplier at Supplier's place of jurisdiction.

The law of the Federal Republic of Germany applies in the same manner as between two parties residing in Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG) and excluding rules referring to other jurisdictions.

In the event of contradictions between the German and the English version the German version shall prevail.

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