

GENERAL TERMS AND CONDITIONS OF PURCHASE

of Hacker Feinmechanik GmbH
Im Polder 2, 94560 Offenberg, Germany
(Version: 09/2020)

1. Scope

- 1.1. These General Terms and Conditions of Purchase apply to entrepreneurs, legal entities subject to public law and special assets subject to public law (“partner”).
- 1.2. These General Terms and Conditions of Purchase apply to all master supply agreements (“agreement”) and all individual agreements and/or orders (“orders”). Any of our partner’s terms and conditions shall not apply unless being explicitly accepted by us.
- 1.3. These General Terms and Conditions of Purchase shall also apply to any future orders and contractual relationships between the partner and our company

2. General provisions

- 2.1. The parties to the contract shall immediately confirm verbal agreements in detail in writing.
- 2.2. In the event that individual parts of these General Terms and Conditions of Purchase should be void or become invalid, this shall not affect the validity of any other provision.
- 2.3. We are entitled to cancel this contract without notice if an important reason is presented. Such an important reason is given if after the conclusion of the agreement it becomes evident that our contractual rights are endangered because of a lack of capability of the partner and the partner upon request does not proof his capability within due time. Statutory rights of termination and cancellation and the rights according to article 11.7 will remain unaffected.

3. Orders

- 3.1. In case our partner does not accept our order within one week since receipt, we shall be entitled to cancellation.
- 3.2. Delivery schedules shall become binding at the latest if the partner fails to cancel within seven days since receipt.
- 3.3. We shall be entitled to demand modifications of the goods supplied if it can be reasonably expected from the partner. In this context, any consequences particularly with regard to additional or reduced costs as well as to delivery dates shall have to be settled amicably and appropriately.

4. Long term – and on demand contracts, adjustment of prices

- 4.1. Unlimited contracts as well as contracts with a term of more than two years may be cancelled with a notice period of three months.

5. Confidentiality

- 5.1. Each party to the contract is obliged to use any document (including samples, models and data) and knowledge gained from of this business relationship only for the common purposes as well as to keep them secret from any third party with the same due diligence and care that would be paid to its respective own similar documents and knowledge if the other party to the contract declares these to be strictly confidential or has any apparent interest in keeping these secret.

This obligation becomes effective as from the very first receipt of those documents or knowledge and shall expire 36 months after termination of the business relationship.

- 5.2. This obligation does not apply to documents or knowledge being generally known or being already known to the partner when receiving these without being committed to secrecy. The same applies to documents or knowledge being transferred afterwards by a third party entitled to transmission or being developed by the receiving party to the contract without using the other partner's documents or knowledge to be kept secret.
- 5.3. The regulations of the German law for the protection of business secrets (GeschGehG) remain unaffected.

6. Designs und descriptions

- 6.1. Any designs and descriptions handed over by us to the partner shall remain our or our customer's inalienable material and intellectual property. The documents shall be returned to us upon our request.
- 6.2. The partner shall confer the property on designs and descriptions made according to our instructions as soon as they are fully paid.
- 6.3. Products that are manufactured according to our documents or the documents of our customers (such as drawings, models and the like) or according to confidential information or with tools or replicated tools may not be used by the partner itself, nor offered or delivered to third parties.

7. Samples and manufacturing equipment that the partner manufactures or procures

- 7.1. If reimbursement of the manufacturing costs for samples and manufacturing equipment (tools, molds, devices, etc.) has been agreed, these costs will be invoiced to us separately from the goods to be delivered unless otherwise agreed. This also applies to manufacturing equipment which, as agreed, has to be replaced due to wear and tear.
- 7.2. The partner bears the costs for maintenance and proper storage as well as the risk of damage or destruction of the production equipment. The partner will keep the manufacturing equipment free of charge for three years after the last delivery to us. Then he will ask us in writing that we comment on further use within six weeks. The duty of safe custody ends if no statement is made or a new order is placed within these six weeks.
- 7.3. The partner may only use customer-related manufacturing equipment for deliveries to third parties with our prior written consent. They may not be scrapped, made accessible to third parties or used for purposes other than those agreed in the contract without our written consent and must be carefully kept by the partner.

8. Samples and production materials that we provide

- 8.1. Production materials and documents (including samples and data) that we provide to the partner remain our property or the property of our customer.
- 8.2. The partner is obliged to provide these production materials with a reference to our property and to insure it at its replacement value against fire, water and theft. Upon request, the partner will provide us with proof of the markings and the existence of appropriate insurance.
- 8.3. The partner will inform us immediately of any damage to the production materials and carry out maintenance and repair work on it at his own expense.
- 8.4. The processing, conversion or installation of production materials that we have provided to the partner is done for us.
- 8.5. If this leads to an inseparable mixing of our materials with materials of the partner or a third party, we become co-owners of the newly created items in proportion to the value of our materials to the new materials. If the processing, conversion or installation takes place in such a way that our materials are to be regarded as essential components of a main item of the partner, we acquire co-ownership of the main item in the ratio of the value of our materials to the new item. In both cases, the partner keeps the co-ownership share for us.

9. Prices

- 9.1. Unless provided otherwise, all prices are free place of receipt in EUR including packaging.

10. Certificates of origin, VAT certificates and export limitations

- 10.1. The partner is obliged to mark any certificates of origin demanded by us with all necessary particulars, to duly sign them and to make them available without delay. Moreover, the partner shall immediately inform us in writing and without request if the particulars in the certificates of origin for the goods delivered shall be no longer correct.
- 10.2. The same applies to any proofs for VAT law purposes in case of cross border deliveries and intra-community supplies.
- 10.3. The partner shall immediately inform us if any delivery is fully or partly subject to export limitations under German or any other law.

11. Payment terms

- 11.1. Unless provided otherwise and subject to the regulation of article 11.3, payment shall be made within **14** days after delivery and receipt of the duly issued invoice by taking advantage of **three** % cash discount or payment shall be effected net within **30** days. The respective later date shall be decisive for the commencement of the payment period.
- 11.2. In case of acceptance of an early delivery maturity shall depend on the agreed date of delivery.
- 11.3. In case of defective delivery or any default in delivery we shall be entitled to withhold payment proportionally to value until delivery has been duly fulfilled.

- 11.4. Without our written consent which may not be refused unreasonably, the partner is not entitled to assign his claims against us or to instruct a third party with its collection.
- 11.5. In the event that – contrary to sentence 1 – the partner assigns his claims against us to a third party without our consent, this assignment is nevertheless valid. However, we reserve the right according to our choice to either effect payment to the partner or to the third party with liberating effect.
- 11.6. The partner may only set off counterclaims that have been legally established, ready for decision or undisputed or legally established. A right of retention or the right to refuse performance of the partner may also only exist within these limits.
- 11.7. If under an order we are obliged to pay in advance we can refuse payment and set a time period within which the partner has to deliver versus payment or has to present securities if, after the conclusion of the order, it becomes evident that our contractual rights are endangered because of a lack of capability of the partner. The lack of capability of the partner is assumed if his creditworthiness at Euler Hermes Forderungsmanagement Deutschland GmbH is rated at “high risk” (level 7) or worse. If the partner refuses or in case of an unsuccessful expiry of the period we are entitled to cancel the order and to claim damages.

12. Dispatch and transfer of risk

- 12.1. Unless provided otherwise, delivery has to be executed “delivery free domicile” by the partner. The risk shall pass on to us when the partner has stored the goods in our warehouse.
- 12.2. The delivery deadline begins with sending the order confirmation and shall be extended reasonably if the requirements of force majeure are given.
- 12.3. Partial deliveries shall only be accepted if agreed on by special agreement.
- 12.4. The partner is obliged to procure all necessary accompanying documents, waybills, supplier's declarations, test reports, factory test certificates and other documents at his own expense and to present them to us in good time. If the acceptance of the delivery depends on such documents, we are not in default of acceptance if the partner has not submitted the documents in good time, including a reasonable time for the examination.

13. Activities within our company

- 13.1. Persons who work within our company in order to fulfill the obligations of the partner are subject to the provisions of our work regulations with regard to accident prevention, occupational safety, environmental and other regulations that apply to us. Hazardous substances may only be used within our company after consultation with our specialized staff and must be properly labeled.

14. Delay in delivery

- 14.1. Should the partner be able to foresee that the goods cannot be delivered within the delivery period he has to inform us in due time in writing and without delay, thereby communicating the reasons and stating the expected date of delivery, if possible.
- 14.2. In the event of a delay in delivery, we are entitled, at our option, to withdraw from the contract, procure a replacement from a third party and / or demand compensation for

non-performance. The partner has to reimburse us for the costs incurred due to his delay in delivery. This does not affect further statutory claims due to delay in delivery.

- 14.3. The partner's liability for damages also extends to any flat-rate damages and contractual penalties that we owe our customer due to the delay in delivery, provided that these are not unusual or we have informed the partner of the flat-rate damage or contractual penalty agreed with the customer.

15. Reservation of title

- 15.1. The partner shall remain the owner to the goods delivered until full and final payment (simple retention of title). Other forms of retention of title, in particular an extended and / or expanded retention of title, will only apply with our express consent.

16. Quality defects

- 16.1. The goods must fulfil the specifications agreed upon and what must be assumed by the partner while being aware of the purpose of use, at least however, the indispensable mandatory legal requirements and must be state of the art. The point in time of the passing of the risk shall be decisive for the quality of the goods according to the contract.
- 16.2. Immediately after receipt, we will check the goods for obvious and visible deviations in quantity and identity and for transport damage. In the event of a complaint, the partner must bear the costs of the inspection and replacement delivery. In the case of any type of defect, the notification period is five working days from the date of discovery, with the sending of the notification within the period is sufficient. In this respect, the partner waives the objection of late notification of defects.
- 16.3. Claims based on quality defects shall prescribe in 36 months. This shall not apply if the law prescribes extended limitation periods.
- 16.4. In case the partner misses a fixed reasonable limitation period without having improved the goods or having delivered flawless goods we shall be entitled to eliminate the defect at the partner's expense on our own or by a third party. The legal regulations on the dispensability of fixing a limitation period as well as all legal rights because of defects including rights of recourse shall remain unaffected.

17. Legal imperfections in title

- 17.1. The partner guarantees that all deliveries are free of rights of third parties and particularly that with the delivery and the use of the goods no patents or any other industrial property rights of a third party shall be infringed in the country of the place of delivery stipulated, within the European Union, Switzerland, Turkey, United Kingdom and – as far as communicated to the partner – within the intended countries in which the goods are to be used.
- 17.2. Insofar as the partner is directly legally liable to the third party the partner shall indemnify us from any claims of a third party out of industrial property right infringements and bears all necessary costs arising therefrom.
- 17.3. Claims due to legal imperfections in title will prescribe within the same period as claims based on quality defects.

18. Other claims, liability of partner

- 18.1. As far as the partner is responsible for any product damage he shall be obliged to indemnify us from any damages claimed by a third party as far as the reason lies within his range of command and organization and as far as he shall be held liable himself in the legal relationship with third parties.
- 18.2. Within the scope of this liability the partner shall also be obliged to reimburse any costs arising from or in connection with a product recall carried out by us or our customers pursuant to §§ 683, 670 German Civil Code as well as to §§ 830, 840, 426 German Civil Code. We shall inform the partner about the contents and the scope of the recall measures to be carried out - as far as possible and reasonable - and shall give him the opportunity to give a statement thereto. Any further legal claims will remain unaffected.
- 18.3. The partner is obliged to hold a product liability insurance being appropriate in scope and amount. In case we are entitled to more extensive claims for damages these shall remain unaffected.

19. Our liability

- 19.1. Any claims for damages based on whatsoever legal basis may only be claimed from us in cases of intent, gross negligence of our legal representatives or principle executives and culpable infringement of essential contractual duties, i.e. duties that actually allow the duly execution of the agreement and on which the partner usually can rely upon. In case of culpable infringement of essential contractual duties we shall only be held liable for the reasonably foreseeable damage immanent to the contract.
- 19.2. The limitation of liability shall not apply in cases of our mandatory legal liability according to the product liability law for personal injury or property damage and in case of injury of life, body or health.

20. Force majeure

- 20.1. Force majeure, labour disputes, disturbances, official measures, non-arrival of deliveries from our suppliers and other unpredictable, unavoidable and serious events will release the contracting partners from their duty to perform for the duration of the disturbance and to the extent of their effect. The contracting partners are obliged, so far as is reasonable, to provide the necessary information immediately and in good faith to adjust their obligations to the changed conditions.

21. Place of performance, place of jurisdiction and applicable law

- 21.1. The place of performance for the delivery of the goods is the place of destination stipulated by contract or the order.
- 21.2. Claims for defects must be met where the delivered goods are located.
- 21.3. Any legal disputes arising hereunder, also including disputes with regard to summary bill of exchange and cheque enforcement proceedings shall be settled before the court of the city of our business seat. We shall also be entitled to take legal action at the seat of our partner.
- 21.4. The laws of the Federal Republic of Germany shall apply to the contractual relationship exclusively.

21.5. The application of the Convention of the United Nations on the International Sale of Goods (CISG - "Wiener Kaufrecht") dated 11 April 1980 is excluded.

22. Final provision

22.1. In case of any discrepancies between the English version and the German version of the General Terms and Conditions, the German version will prevail.