

General Terms of Purchase

1. Subject of the Contract and Validity

1.1 The following conditions are applicable for all services performed for Zippel GmbH regardless of the legal nature of the contract on which they are based. The existing Terms and Conditions of Purchase of Zippel GmbH are exclusively binding.

1.2 Contrary or any conditions which differ from our Terms and Conditions of Purchase are not accepted by us unless we accepted their validity explicitly in written form before. Differing General Business Terms applied by the contractor form no terms of the contract even if Zippel does not disagree with them explicitly. If Zippel accepts the delivery or provision of services without an explicit contradiction, it is not implied that Zippel accepts the contractual terms of the contractor.

1.3 These conditions are also valid for all future business transactions between Zippel and the contractor, even if it is not explicitly referred to these purchase conditions in particular cases.

2. Quotation/Purchase Order/Order Documents

2.1 The prepared quotation is free of charge for the client .The contractor has to inform Zippel about any discrepancies in the quotation.

2.2 If the contractor does not accept the order within 7 days beginning with the receipt of the order by a written order confirmation, Zippel is allowed to retract the purchase order without the possibility for the contractor to enforce any damage claims.

2.3 Only written purchase orders or purchase orders on a form are effective. Telephone orders must only be taken by authorized personnel (employees of the purchasing department and the process planning department). You will be informed in writing if the authorized employees have changed. The latest written notification (related to date) is valid.

2.4 Delivery contracts come about if the contractor confirms, signs and returns the client's purchase order or the sent contract. Delivery contracts and standing orders and their modifications or amendments require a written form.

2.5 Standing orders become binding if the supplier does not contradict within 7 days after their receipt.

2.6 If our purchase order is not confirmed, but executed, our purchase terms are regarded as being accepted by implication. If the order is executed, even if our purchasing terms are contradicted, the execution of the offer implies the confirmation of our purchase terms.

2.7 Upon acceptance of our purchase order the contractor appreciates that he has been informed upon the existing documents, kind and scope of the performance. In case of obvious errors, typing- and calculating errors in the documents that were handed over to us there is no obligation by our side. The contractor is obliged to inform us immediately about such errors so that we are able to correct our purchase order accordingly. The same applies when documents are missing.

2.8 Zippel reserves all proprietary rights (intellectual property rights) without restriction to all samples, drawings, illustrations, photographs or information of a physical or non-physical nature. These must not be copied or disclosed to third parties. They only serve for the manufacturing and have to be either returned or destroyed after the parts have been manufactured.

3. Prices/Payment

3.1 The price mentioned in the purchase order is binding. The agreed prices are fixed prices and exclude any amendment, especially due to increased prices for wages and material or changes in the working conditions. All additional costs like customs, insurance rates, package costs etc. are on the contractor's expense unless otherwise explicitly agreed.

3.2 All prices are plus VAT.

3.3 Deviations in quality and quantity regarding the text and content of the purchase order as well as later contract modifications are valid not before they have been expressly confirmed in writing. The effects regarding extra- or reduced costs have to be cleared by both parties.

3.4 Invoices will only be processed when they show the purchase order number. For all consequences due to a non-adherence to this obligation the contractor is solely responsible unless he proves that he is not to blame for. The contractor is sure that all purchase orders which are not in line with the standards of Zippel GmbH will be sent back and will not be executed.

3.5 The payment is settled after the receipt of the invoice within 14 working days with a discount of 2%, unless otherwise fixed in writing, within 60 calendar days net by a means of payment according to our choice. Payment periods are instituted by a) delivery or acceptance of the performance, b) receipt of the invoice or c) the delivery date mentioned in the purchase order.

3.6 If a payment plan was agreed, the payments are due after a respective partial invoice according to the dates and partial amounts agreed in the payment plan. Before the acceptance of the complete performance by the client all payments are made as a down-payment without an appreciation of the services rendered so far as a making delivery. The final invoice is issued in any case not before the acceptance of the complete performance.

3.7 If Zippel pays before the risk of transfer, the transfer of ownership is regarded as agreed unless Zippel has requested and received a guarantee to the amount of the payment.

3.8 The VAT has to be itemized separately on the invoice.

3.9 Without our prior written approval the supplier shall not be entitled to assign the claims that he has against us or to have his receivable collected by third parties. Should the supplier assign such claims to a third party without our approval, such assignment shall nevertheless be valid. We shall be free to decide, however, whether we will make payment with discharging effect to the supplier or to such third party.

3.10 Payments by the client are regarded as effected as soon as the client has authorized them.

3.11 Zippel has a statutory right of lien and set-off rights.

3.12 In case of a non-contractual performance, especially a faulty delivery Zippel has the right to retain the payment on a pro-rata basis until the proper fulfillment. The contractor is not entitled to any claim for damages or interest on arrears without the loss of discounts or other payment privileges.

4. Performances, Execution of Orders, Modifications

4.1 The scope of performance is based on the respective individual purchase order. Documents, reports, ideas, drafts, models and all other results in connection with rendered performance are part of the purchase order.

4.2 The contractor performs his works with utmost diligence considering the state of the art and the latest version of safety regulations of authorities and professional bodies (of the Federal Republic of Germany), especially considering the DIN-or ISO certification regulations, to the extent the contractor's part and his own knowledge and experience. The contractor guarantees the adherence to the legal regulations, to the agreed technical specification and other stipulations.

4.3 The contractor will prepare drawings, data and other documentation records in accordance with the requirements, regulations and stipulations of the principal and his clients without charging any extra costs. The contractor is obliged in cases of ambiguity to obtain all information required for the execution of the purchase order. This applies especially to the EDP systems which have to be used as well as the programs, the specifications of Zippel's clients.

4.4 The contractor will give all necessary statements about the composition of the object to be delivered on Zippel's request to the extent necessary for the fulfillment of legal and official stipulations and the legal domestic/abroad regulations.

4.5 Zippel is entitled - as long as the contractor has not fulfilled his duties completely - to request amendments with regard to design, quantity and delivery time within the scope of reasonability. The consequences (extra or reduced) costs have to be settled commonly and amicably.

4.6 The contractor is obliged to inform about any concerns regarding the nature of the delivery immediately in writing and to suggest any modifications (even at Zippel's product) which he thinks are necessary in order to meet the agreed specification or the legal stipulations.

4.7 All media or water-touching parts have to be manufactured exclusively in stainless steel or in a material which has a respective corrosion protection. If another material than stainless steel is used, the supplier has to inform Zippel explicitly about this fact in his order confirmation. Zippel reserves the right to cancel the purchase order if other materials are used.

5. Performance period, delay and exclusion of performance periods

5.1 Agreed dates and periods are binding. Decisive for the adherence to the delivery time/date is the hand-over of the contractual overall performance (which means the complete subject of the agreement including the documentation) to Zippel respectively to the consignee named by Zippel. If the incoterm is not "free domicile" or "free location", the contractor has to provide the performance considering the usual time for transport or consignment.

5.2 If the contractor does not keep the delivery date, the client is entitled to claim - without setting another period of grace and according to his own choice - damage instead of the contractor's performance due to a non-performance or to rescind the contract. In case of a delay in delivery

a penalty amounting to 0.5 % of the order value for each started week of delay, however limited to maximal 5 % of the agreed payment. The enforcement of other rights remains untouched. The penalty

has to be charged for an actual and enforced damage caused by delay. The right to claim the penalty is not forfeited by an unreserved acceptance of the delayed delivery.

5.3 As soon as it becomes obvious that the agreed intermediate- or final dates cannot be kept, the contractor has to inform the client immediately. The legal rights of the client are not touched by this information. The enforcement of a damage caused by delay is also reserved.

5.4 Deliveries ahead of time and partial shipments are only allowed with our written consent. Invoices for deliveries ahead of time are not accepted and will be returned by return of post.

6. Force Majeure

6.1 Acts of God, labor disputes, operational breakdowns, official measures and other unforeseeable, inevitable and serious events shall release the contractual parties for the duration of the disturbance. The contractual parties shall be obliged to immediately provide all necessary information within the scope of what is reasonable and to adapt the obligations in good faith to the changed circumstances.

6.2 Should such an event last longer than two weeks, the contractual parties may rescind the respective agreement or terminate the respective agreement without notice. In this case the contractor can demand damages for his verifiable expenditures which accrued relying upon the duration of the contractual relationship until the suspension of the contractual obligations.

7. Provisions, tools

7.1 Provisions remain the client's property and have to be stored separately, marked and managed carefully by the contractor free of charge. They must only be used for the respective purchase order. In case of a decrease in value or loss the contractor has to pay damage and insurances have to be contracted for this purpose at his expense. This also applies to the surrender of goods for the purchase order.

7.2 In case of a processing or rebuilding of the material the client becomes the new proprietor upon the generation of the new or rebuilt object. The contractor stores the new or rebuilt object free of charge for the client with the diligence of a scrupulous merchant. A reservation of proprietary rights of the contractor at the achieved result is excluded in any way.

7.3 The property in auxiliary models, -tools, models, forms etc. (hereinafter called "tools") which are needed for the provision of the contractual performance passes to the client at the time of its development. Tools have to be treated like provisions by the client. The client is entitled to claim the delivery of the tools or to have them scrapped by the supplier free of charge. The scrapping of tools requires the written consent of the client.

7.4 The contractor will mark confidential documents as the client's property and store them separately. Upon request of the client the contractor will return all confidential documents and objects unrequestedly and immediately to the contractor respectively he will destroy them. A retention of goods is excluded.

8. Subcontracting

Subcontracting of purchase orders to third parties is only allowed with the written consent of the client. If the contractor infringes upon this clause, the client is entitled to cancel the contract with immediate effect. In this case the contractor is not entitled to claim any damages.

9. Transfer of risk/acceptance

9.1 The risk shall be transferred to Zippel upon handover to Zippel or to the consignee determined by Zippel. A delivery note must be attached to every shipment according to Zippel's stipulations. The contractor bears the risk of an accidental perishing or of a deterioration of the goods until the handover at this place. In every case the contractor bears the costs for freight and package including extra costs for express deliveries, which were necessary due to reasons for which he is to blame.

9.2 If an installation or assembly is part of the purchase order, a formal acceptance is required. The acceptance can only be carried out after a successful test phase. Otherwise the object is regarded as accepted 6 weeks after the acceptance provided that the client does not claim any defects which hinder an acceptance.

9.3 However, if the order performance of the contractor integrated in a complete performance by Zippel for his end customer, the acceptance of the contractor's performance is realized upon the acceptance of Zippel's complete performance by his end customer without an explicit explanation. Payments do not constitute the acceptance of the delivered object. Upon the acceptance of the contractual performance the transfer of risk occurs.

10. Confidentiality

10.1 The contractual partners undertake to treat with confidentiality as a business secret and all business and technical details that are not publicly known and that they become aware of within the scope of their business relationship and they must be protected against unauthorized insight, loss or use. Drawings, models, templates, samples, tools, appliances and similar items, which were handed over by us or which we manufactured at our expenses remain our property and must not be surrendered or otherwise made accessible to unauthorized third parties. Duplication or reproduction of such items shall only be permitted within the scope of business requirements and copyright regulations. The documents handed over to the contractor have to be returned unrequestedly after the completion of the works considering the confidentiality regulations or they have to be safely destroyed in agreement with the client. The contractor will not keep or store any copies or reproductions unless he is obliged to file them due to legal regulations. Under reservation of other rights the client can ask for their delivery as soon as the contractor has violated his obligations.

10.2 The Supplier's subcontractors shall be obligated accordingly.

10.3 Unless otherwise agreed in the contract, this confidentiality agreement lasts for 5 years after delivery and/or performance.

10.4 The contractual partners may advertise their business relationship or goods only with prior written approval.

11. Liability for defects

11.1 If the statute of limitation for claims for defects is not agreed separately, the contractor grants a warranty of 24 months beginning with the acceptance of the complete performance by the client or his end customer; in any case, however, not more than 36 months beginning with the handover of the complete performance to the client. The statute of limitation for claims does not depend on the period of application. The client has to inform the supplier immediately about any defects as soon as they have been detected according to the condition of a proper business process. Insofar the supplier renounces the objected of a delayed notice of defects. The notice of defects interrupts the statute of limitation for claims for defects concerning the defective delivered object until the defect has been completely remedied. Defects of title lapse after the legal statute of limitation.

11.2 The client is entitled to enforce the legal warranty claims according to his choice. In case of a rectification of defects or a replacement delivery the contractor is obliged to remedy the defects immediately free of charge at the point of destination at his expense or to effect a new performance. He has to bear all costs in connection with the rectification of defects or the replacement including travel costs. Any claims for damages are reserved.

11.3 In urgent cases e. g. imminent dangers or in cases when the performance obligations of the client require an immediate rectification of the defects or if the contractor refuses a quick remedy of the defects, the client himself or a third party is allowed to carry out the rectification of the defects at the contractor's expense. The same applies if the contractor delivered after the occurrence of default.

11.4 Otherwise, the legal provisions shall apply.

12. Liability

12.1 If the contractor is made a claim on due to liability regardless of negligence or fault against a third party for an unalienable right, the contractor is liable against the client insofar as he would have to guarantee directly. For any damage compensations between the client and the contractor the principles of § 254 of the BGB (German Civil Code) are applicable.

12.2 Otherwise, the contractor will be liable only within the limits of the statutory regulations.

13. Industrial property rights

13.1 The contractor is liable for claims resulting from the violation of property rights upon use as per agreement of deliveries and performances. The contractor releases the principal and his clients from all claims resulting from a violation of such property rights. This does not apply for the case that the contractor works with drawings, models, data etc. handed over by the client and he does not know or does not have to know that property rights are violated by this.

13.2 In case of a violation the client is entitled to effect the required authorization by the owner of such property rights for delivery, commissioning, use, sale etc. of the delivered object at the contractor's expense. A further claim for damage of the client remains untouched.

14. Cancellation of a contract

The client is entitled to cancel the contract at any time. The declaration of the cancellation requires a written form. In such a case the client is entitled to pay a compensation for lost value instead of a reimbursement or delivery of the performances he has received so far. The amount of the compensation

for lost value depends on the value of the rendered service at the time when the cancelation was announced. The contractor has to present a detailed list of costs in such a case.

15. General provisions

15.1 Should one of the contractual partners stop making payments or should insolvency proceedings be instituted against his assets, the other contractual partner shall be entitled to rescind the contract. If there is no cancelation of the contract, the client can withhold an amount of at least 10 % of the payment as a guarantee for the contractual claims until the lapse of the contractual statute of limitation of damage claims.

15.2 If any of the provisions contained in these General Terms and Conditions of Purchase and other agreements is or becomes invalid, it shall not affect the validity of the remaining contract. The contractual partners shall be obliged to replace such invalid provision with a valid provision that best reflects the economic success of the invalid provision.

15.3 The place of performance for all deliveries and services shall be the client's head office unless another place of performance is mentioned in the respective purchase order.

15.4 Exclusive place of jurisdiction shall be Regensburg, to the extent permitted by law. These GToP are subject to German law.

15.5 Unless otherwise agreed, the laws and only the laws of the Federal Republic of German shall apply. Application of the standardized United Nations Convention on Contracts for the International Sale of Goods shall be excluded.

Zippel GmbH (status as of August 2020)