

Standard Terms and Conditions for Purchase Orders and Contracts

These terms and conditions form an integral part of all contracts entered into with our suppliers and other contractors (hereinafter collectively referred to as “the Supplier”). Any deviating agreements, in particular Supplier’s conflicting terms and conditions, as well as any collateral agreements, are subject to our express consent in order to become an integral part of the contract.

1. Quotations and contracts

- 1.1 The Supplier must submit binding quotations free of charge to us. In its quotations, the Supplier must adhere to our inquiry/request for proposal with regard to quantities, quality, design, installation, etc., and must specify any deviations in writing.
- 1.2 Purchase orders and other declarations shall not be binding on us unless we have made them in writing.

2. Prices

- 2.1 All prices shall be quoted as fixed price exclusive of sales tax/VAT.
- 2.2 The prices agreed upon with the Supplier shall include remuneration for all deliveries to be made and services to be provided by the Supplier (including certificates, drawings, evaluations, etc., that may be required, in German and English) and shall be quoted for delivery free of charge to the place of use specified by us.
- 2.3 We will pay for supplies and services that are not covered by the contract entered into with the Supplier only if we have ordered these supplies and services from the Supplier in writing prior to their delivery/commencement of work. Should our written order contain no price information, the Supplier’s remuneration

shall be in accordance with the higher or lower costs as compared to the original contractual performance price. If no agreement can be achieved, the price shall be determined on the basis of appropriate local comparative rates.

- 2.4 The joint use of our locker and recreation rooms by the Supplier’s employees or any other third parties commissioned by the Supplier shall be subject to our prior consent. The joint use of the locker and recreation rooms may be made subject to a flat cost contribution. Unless stipulated otherwise in a separate agreement, a cost contribution of 1% of the net invoice amount reduced by the material costs shall be deemed agreed upon, which amount may be deducted by us from the remuneration due the Supplier.

3. Dates, time limits

- 3.1 Delivery and completion dates must be observed precisely. Delivery dates that have been agreed upon shall start to run upon entering into the contract of which these terms and conditions are an integral part.
- 3.2 As soon as the Supplier becomes aware that a date or period may be exceeded, the Supplier must notify us without undue delay in writing of the reason and the expected duration thereof.

3.3 In the event of default in delivery, we shall be entitled - without prejudice to Clause 4 below - to all claims and rights under the law, without any restriction (including but not limited to exclusions and limitations of liability).

3.4 The Supplier must store free of charge all materials/goods owned by us or otherwise provided by us as is customary for such materials/goods and must mark those owned by us as such.

4. Contractual penalty

4.1 If the Supplier exceeds the agreed upon dates and time limits due to default, it must pay us a contractual penalty in the amount of 0.2% of the net contract price for each business day that the date or time limit has been exceeded. The contractual penalty shall be limited - also in cases where several individual dates/time limits are exceeded - in terms of its amount to a maximum of 5% of the net contract price.

4.2 We shall be entitled to reserve our right to claim the contractual penalty until the final payment. Payment of the contractual penalty will not release the Supplier from the fulfillment of its contractual obligations nor from any further obligations to pay damages, including but not limited to damages for default.

5. Packaging, shipment, taking delivery/acceptance and passing of risk

5.1 Delivery items shall be shipped to us - free of charge - to the place of use stipulated by us. The risk of accidental loss, destruction or deterioration of the delivery items shall pass to us at that place. If the shipment is

made at our costs and our risk based on a diverging agreement, the Supplier shall notify us of the shipment in such timely manner as to allow us to buy proper transport insurance.

5.2 On the date of dispatch of each shipment, the Supplier shall provide us with a dispatch note (in duplicate) stating our order number and the item number of our order, the quantity and the exact description of the goods. Each shipment must be accompanied by a bill of delivery with that same information; all individual parts of each shipment must bear the description of the goods (labels). Should the bill of delivery be missing or should it contain incomplete or incorrect information, as the case may be, we shall be entitled to refuse taking delivery of the shipment at the Supplier's expense. This shall apply analogously if and to the extent that the Supplier failed to attach technical approval and acceptance certificates to the respective shipment.

5.3 The Supplier must notify our goods receiving department of all deliveries at least forty-eight (48) hours in advance in writing or by email. The goods receiving department will take delivery of goods only from Monday through Friday from 07:00 am to 01:00 pm.

5.4 The Supplier must take out insurance for the parts manufactured under the respective contract that are made available for pickup, against accidental loss or destruction (in particular through fire and theft), accidental and culpable deterioration, at the Supplier's expense until the passing of the risk to us (cf. Clause 5.1), and get coverage at replacement value.

- 5.5 Acceptance by us of machinery, equipment and similar items, the contractual condition of which cannot be determined until after the completion or putting into operation of the follow-up product, shall occur only after successful installation and putting into operation and, where applicable, acceptance by the competent authorities (e.g. classification society, BG Verkehr, DOT, etc.).
- 5.6 Where the billing is based on the number of items, weights and measures, the values determined at the inspection upon receipt shall apply.
- 5.7 In the event that we agreed with the Supplier that the shipment is not to be made to us but to a third party, the Supplier must provide us with appropriate proof of shipment to such third party (receipt or similar document).
- 5.8 We are not obligated to take receipt of / accept partial delivery, excess or short delivery.
- 5.9 We may refuse taking delivery of delivery items and the acceptance of services if a force-majeure event or other circumstances beyond our control (including labor disputes) prevent us from taking delivery of the delivery items or accepting the services, or renders taking delivery or acceptance unconscionable.
- 5.10 Upon returning packaging to the Supplier carriage paid, we shall charge a minimum rate of 2/3 of the amount invoiced us. Deposits for leased packaging may not be shown as part of the invoice for goods but must be invoiced separately.
- 6. Provision of materials; documents, and prevention of accidents**
- 6.1 The Supplier shall be liable for any loss of or damage to materials, etc. provided to it. In the event of loss, damage or defects of the materials provided by us, the Supplier must interrupt processing immediately and must notify us accordingly without undue delay in writing or by email.
- 6.2 Supplies provided by us (materials, substances, etc.) shall be processed/worked on our behalf and shall remain our property during every processing stage. Should such processing involve other items not belonging to us, we shall be co-owners of the new item at the ratio of the value of our supplies to that of all components used to produce the new item and the Supplier's expenses for the processing thereof. Insofar, the Supplier shall keep the new item in safe custody for us free of charge. The sentences above shall apply analogously to the extent that our property vanishes through blending, mixing or combination.
- 6.3 All documents and data provided by us to the Supplier shall be used by it exclusively for the performance under the contract, of which these terms and conditions are an integral part. The Supplier must properly keep those documents and data in safe custody and protect them from third party access (secrecy). Such documents and data must be returned to us together with all copies or multiplications thereof without undue delay and without special request as soon as our inquiry has been dealt with or the goods and services ordered have been delivered or performed, as applicable. Any right of retention and/or right to withhold

performance on the part of the Supplier shall be excluded in this respect.

- 6.4 The Supplier's site manager in charge must contact the plant engineer in charge on our part (coordinator) both before commencement and after completion of work, and acknowledge our coordinator in writing. Our coordinator is responsible for eliminating any potential hazards. His instructions must be complied with immediately. Accidents must be reported to him immediately. All work must be done such that our workflow is not interfered with. Schedules for deliveries and services to be provided by the Supplier shall be agreed with our coordinator. The Supplier is responsible for maintaining a clean working area at all times. Upon completion of the work, the working area must be turned over to our coordinator in tidy and clean condition.
- 6.5 The Supplier shall ensure that it will supply only items that are not made of materials harmful to health. The Supplier must strictly observe all rules and regulations governing the prevention of accidents and all other security regulations in effect at our plant and in general. This shall apply in particular to bans on smoking, instructions for "open flame operations" (flame-cutting and welding), protective measures when processing, working on and removing asbestos and materials containing asbestos. If and to the extent required, the Supplier's employees must wear proper protective clothing; other precautions that are necessary must be taken as well where applicable.

The Supplier must put subcontractors used by it under the corresponding obligations and must provide proof thereof upon our request.

7. Invoices and payments

- 7.1 Upon completion of the contractual performance, the Supplier must submit original invoices, with a separate invoice for each order, in four copies, stating the order number and the order date, the cost unit/account, as well as the job number, issued in a verifiable manner. The sales tax/VAT must be shown separately.
- 7.2 The Supplier's payment claims shall be due and payable by us thirty (30) days after the completion of the Supplier's performance in accordance with the contract, and, where the production of a deliverable is concerned, after acceptance of the services performed, and proper invoicing in accordance with Clause 7.1 above. If the Supplier delivers goods or performs work early, the thirty-day period shall not start to run until the contractually agreed delivery or completion date, at the earliest.
- 7.3 For payments made by us within eight (8) days of receipt of a verifiable invoice, we shall be entitled to 3% cash discount, and for payments within fifteen (15) days of receipt of a verifiable invoice, we shall be entitled to 2% cash discount, deductible from the amount of the invoice.

7.4 Down payments and progress payments may be claimed by the Supplier only if this has been agreed upon.

8. Setoff and retention

8.1 The Supplier may set off counterclaims against us in an effective manner only if and to the extent such claims are undisputed, have been finally adjudicated or are ripe for judgment (proven).

8.2 The Supplier shall be entitled to exercise its right of retention only if its counterclaim is based on the same contractual relationship.

9. Defects and breach of duty

9.1 The Supplier warrants that the delivery item/service has the quality agreed upon with us, is state-of-the-art in terms of science and technology at the time of taking delivery/acceptance by us, and that there are no circumstances attached to the delivery item/service which cancel out or reduce its value or suitability for normal use or for use as contemplated under the contract concluded with us. The Supplier further warrants that the use of the delivery item/service will not infringe any third party rights, including but not limited to patents or any other industrial property rights.

9.2 If the delivery item/service is defective or not compliant for any other reason, we shall be entitled to all statutory claims and rights without any restriction (in particular limitations and exclusions of liability) with the proviso that the period allowed for giving notice of defect pursuant to Section 377, German Commercial Code [*Handelsgesetzbuch; HGB*] shall be at least eight (8) business days. In the event of latent defects, particularly defects that

become apparent only during processing or putting the delivery item into operation, the notice period shall not start to run until detection of such defects.

9.3 The limitation period for defects in quality and in title shall be governed by the provisions of the German Civil Code [*Bürgerliches Gesetzbuch; BGB*] with the proviso that the periods stated therein shall be extended by twelve (12) months.

9.4 In the event of a cure, the Supplier shall bear all those additional costs, including but not limited to transport charges, fares/toll, labor and material costs, that are incurred by the object of the service/delivery being subsequently carried to a location other than the place of performance, to the extent that this carriage is consistent with the intended use of that object of delivery/service.

9.5 Our release of a sample of the delivery item for batch production on the basis of drawings sent to us, and after our review of the installed dimensions and the general technical data, shall not dispense the Supplier from the contractual performance of the obligations incumbent upon it. Our inspection will in particular not include whether the dimensioning is sufficient or if the proper materials have been chosen.

9.6 Our agents and those of our customers shall be entitled to acquaint themselves at the Supplier's premises during its business hours with the contractual performance by the Supplier, to participate in on-site testing or conduct tests themselves. The costs for repeated testing caused by defects

detected earlier, shall be at the Supplier's expense.

- 9.7 The Supplier shall guarantee at least for the period of the normal usable life of the individual delivery item/service that it shall provide spare parts for the delivery items/services at customary terms and prices.

10. Liability, indemnity and liability insurance

- 10.1 Claims for damages and for the compensation of expenses (hereinafter collectively referred to as "Claims for Damages") of the Supplier against us for any cause in law whatsoever shall be excluded, unless they are based on the provisions of the Product Liability Act, our willful or grossly negligent violation of contractual or legal obligations, injury to health or bodily injury sustained by the Supplier due to a violation of obligations for which we are responsible, our assumption of a warranty for a specific quality, or our violation of essential contractual obligations. Essential contractual obligations are those the fulfilment of which will render a proper performance of our principal contractual duties possible in the first place, and in whose fulfillment the Supplier may regularly trust. In the event of violation of essential contractual obligations, the Supplier's Claim for Damages against us shall be limited to the foreseeable damage typical of this type of contract, unless there is willful misconduct or gross negligence, or we are liable for injury to health or bodily injury or on the basis of our assumption of a warranty for a specific quality. A damage is foreseeable / typical of a certain type of contract if the materialization of the damage is typically to be expected precisely

on the basis of the violation of the essential contractual obligation. Any violation of obligation hereunder by our legal representative or a person employed by us in the performance of our obligations shall be deemed equal to a violation of obligation by us. This provision shall not amount to a reversal of the burden of proof at the Supplier's disadvantage.

- 10.2 Should we be held liable for damages by third parties due to a product defect, the Supplier shall indemnify and hold us harmless from and against any such claims if and to the extent that the damages were caused by the raw materials and components delivered by the Supplier or by the services performed by it.

The Supplier is further obligated to reimburse us for any expenses and damages sustained due to or in connection with a recall campaign carried out by us. We shall - as far as this is possible and may be reasonably expected from us - inform the Supplier about the subject matter and extent of the planned recall and give the Supplier the opportunity to provide its comments. The Supplier's liability according to the law shall remain unaffected thereby.

- 10.3 The Supplier must buy and maintain at its own expense product liability insurance for a minimum sum insured of € 2.5 million per personal injury/damage to property - blanket coverage - as well as public liability insurance with a sum insured of no less than € 500,000.00 for damage to property

and no less than € 100,000.00 for processing damages (including so called “ship clauses”). Prior to the commencement of delivering goods and performing services the Supplier must submit a confirmation of its insurer on such coverage.

11. Intellectual property rights

11.1 The Supplier guarantees that no third party rights are violated in connection with its deliveries/services. Should we be held liable in this respect by a third party, the Supplier shall indemnify and hold us harmless from and against such claims upon written request. The Supplier’s indemnity obligation shall include any and all expenses and damages incurred and sustained by us arising from or in connection with this third party holding us liable.

12. Subcontractors

12.1 The Supplier’s use of subcontractors for the performance of its contractual obligations toward us shall be subject to our consent. Involving subcontractors will not dispense the Supplier from its obligations to us.

12.2 When contracting subcontractors, the Supplier must ensure that those subcontractors will also grant us the right to obtain information and conduct tests as provided under Clause 9.6 hereof.

13. Data protection

13.1 The Supplier agrees that, within the scope of our business relationship, we electronically store and process the Supplier’s data as required for handling the orders and the individual contracts, which storage and processing shall be done in accordance with the law.

14. Place of performance, place of jurisdiction, translations and applicable law

14.1 The place of use specified by us shall be the place of performance for all deliveries to be made and services to be performed by the Supplier.

14.2 The Bremerhaven Local/Regional Court [*Amtsgericht / Landgericht*] of competent jurisdiction shall be the exclusive place of jurisdiction for any and all disputes arising directly or indirectly from the contractual relationship between us and the Supplier, including proceedings on claims arising from a deed in which solely documentary evidence is submitted, and proceedings on claims arising from a bill of exchange or a check. We shall, however, be entitled - at our discretion - to bring action against the Supplier also before the courts of competent jurisdiction at the Supplier’s place of business.

14.3 Should these standard terms and conditions have been translated into a language other than German, the German version of these standard terms and conditions shall prevail in case of doubts as to the interpretation, and/or deficiencies.

14.4 of the Federal Republic of Germany shall apply without regard to the United Nations Convention or any other international treaties on contracts for the international sale of goods.

15. Severability clause

15.1 Should any of the provisions of a contract concluded with the Supplier, of which these standard terms and conditions for purchase orders and contracts are an integral part, be or become ineffective, the remainder of the provisions of that contract shall not be affected thereby. In lieu of the ineffective provision, we shall agree with the Supplier upon a provision that will most closely match the purpose of the ineffective provision in a legally valid manner.