

## General terms and conditions of purchase of the SARIA Group

### § 1 Validity of the conditions

- (1) All purchases, orders and commissions that SARIA A/S GmbH & Co KG or another company affiliated with SARIA A/S GmbH & Co KG within the meaning of §§ 15 ff. AktG (German Stock Corporation Act) (hereinafter referred to collectively as: SARIA) makes purchases from other companies (suppliers, service providers and contractors), and these terms and conditions are included. These therefore also apply to all future business relationships with the same entrepreneurs, even if they are not expressly agreed again. These terms and conditions are considered accepted at the latest with the delivery of the goods or the provision of the service to SARIA. Conflicting terms and conditions of the entrepreneur are expressly rejected. In the following, the term "delivery" also includes every service and work performance and the following terms and conditions also apply in this respect, if necessary correspondingly. As far as SARIA and the company have made individual contractual agreements, they have priority over the corresponding conditions of these terms and conditions.
- (2) All agreements made between SARIA and the contractor for the purpose of executing this contract must be in writing. The written form requirement is also met if sent by email. The written form requirement can only be waived by written agreement.

### § 2 Offer and conclusion of contract

- (1) SARIA can accept offers within 30 days of receipt. During the acceptance period, the offeror is bound by the offer. SARIA does not owe any remuneration for visits or elaborations for the preparation of offers.
- (2) SARIA receives from the entrepreneur in each case the most favorable price that he offers his customers for comparable deliveries and services at the time of the order.

### § 3 Prices

- (1) The agreed prices are fixed prices as net prices. They shall be increased by the statutory value added tax.
- (2) Costs for packaging, transport and insurance to the agreed delivery point or place of performance are included in the price.

### § 4 Delivery

- (1) Each delivery must be accompanied by a delivery bill in which the delivery is to be precisely broken down according to type, quantity and weight. Delivery bills, bills of lading, invoices and all correspondence must contain the order date and the address of the ordering branch.
- (2) SARIA is only obligated to accept the delivery if it complies with the contractual agreement, especially in terms of quality and quantity. If the agreed quality is not met in part, SARIA is entitled to reject the entire delivery. Partial deliveries are only permitted with SARIA's prior consent. SARIA is not obligated to accept the delivery before it is due.
- (3) The shipment is at the risk of the entrepreneur. If SARIA makes advance payments or provides security for payment according to the contract, the entrepreneur is obligated to provide proof of insurance coverage appropriate to the value of each delivery without being asked. SARIA can require the contractor to issue a security certificate from the insurer in its favor up to the amount of the advance payment or security. In the case of work performances, the contractor must ensure sufficient insurance protection of the work against the risks of loss of the work to be borne by him before its acceptance by SARIA and must prove this to SARIA upon request permitted at any time.
- (4) The obligation to take back the packaging is governed by the statutory provisions. The packaging must be sufficient to prevent damage in transit, but must not exceed the level required for this purpose. The contractor assures the use of environmentally friendly packaging.
- (5) Agreed delivery dates are binding; they are fixed dates unless expressly agreed otherwise. If the delivery is to be made within an agreed period of time - also in the case of partial deliveries - SARIA shall determine the exact delivery time and frequency at its reasonable discretion.

- (6) The delivery is deemed to have been made in time if it is handed over at the agreed location ready for acceptance and complete. For acceptance capability and completeness, it is also necessary in particular that the contractually agreed documents and the documents required by law or regulations and the documents agreed separately between SARIA and the company, such as approvals, test certificates, hazardous goods certificates, conformity certificates, operating and maintenance instructions, spare parts lists, user manuals, laboratory analysis results, etc., are also handed over.
- (7) SARIA must be informed immediately of any foreseeable delays in delivery.
- (8) If a delivery date is not met, SARIA may, at its discretion, withdraw from the contract, claim damages in lieu of performance or make a substitute procurement, the additional costs of which shall be borne by the contractor, unless the additional costs were not or not fully necessary to procure the substitute procurement on the market, taking into account the agreed delivery date.
- (9) The entrepreneur can only refer to the absence of a cooperation action by SARIA that is necessary or agreed upon for the delivery if he has reminded SARIA in writing within a reasonable period of time.
- (10) The obligation to accept the ordered delivery expires if the delivery is no longer of value to SARIA due to the effects of force majeure, in particular due to a delay in delivery caused by this.
- (11) In the case of hourly paid work, the number and qualifications of the employees used by the contractor must always be appropriate to the work to be performed. The hours worked must be signed off daily by an employee designated by SARIA. Additional material costs compared to the order must be approved in writing by SARIA before they are released. In case of violations, SARIA is exempt from the obligation to pay to the corresponding extent.

### § 5 Invoices, payment

- (1) The entrepreneur shall issue invoices in the proper form according to the law and commercial practice. Invoices that are not issued in the proper form shall not be deemed to have been received until the deficiency in form has been duly corrected.
- (2) Unless otherwise agreed, the following payment agreement applies: SARIA pays due invoices within 45 days of receipt. For payments within 21 days from receipt SARIA may deduct a discount of 3%.
- (3) SARIA is entitled to offset claims of the entrepreneur with its own claims but also with such claims of its affiliated companies. Offsetting is also permitted if the claim or counterclaim is not yet due.
- (4) Payments by SARIA are not an acknowledgement of the correctness of the delivery or the invoice. They are always made subject to verification and reclaim.

### § 6 Quality and warranty

- (1) The Contractor guarantees to precisely comply with the contractually agreed quality parameters. In addition, he guarantees to deliver in accordance with the state of the art at the time of the order, the current DIN and VDI specifications as well as the requirements for manufacturing the delivery item in good professional practice. Furthermore, he guarantees that the delivery is fully usable for the agreed purpose or the contractually stipulated purpose, and that the delivery complies with all relevant legal regulations as well as official directives and requirements of the employers' liability insurance association. The Contractor guarantees that the delivery is free of third party rights and that he can and may dispose of it in full. The Contractor guarantees an overall product quality that is significantly above average.
- (2) SARIA will inspect the delivery immediately upon receipt and immediately give notice of any defects found. However, a later inspection and/or complaint does not lead to a loss of warranty rights within the warranty period. In this respect, the entrepreneur waives the assertion of the obligation to inspect and give notice of defects and the legal consequences of its violation.

- (3) The warranty is governed by the statutory provisions.
- (4) In the event of a warranty claim, SARIA can assert the legal warranty rights, including the choice between rectification and subsequent delivery. The rectification or the subsequent delivery have failed if the contractor has not professionally rectified the defect within 2 weeks after receipt of the complaint, unless the contractor proves that this is impossible. In that case, rectification and subsequent delivery shall be deemed to have failed after expiry of the fastest possible rectification or subsequent delivery period. Rectification and subsequent delivery are in any case unreasonable for SARIA if their acceptance would lead to obstructions or restrictions of its production operations due to the expected duration of the rectification or subsequent delivery or if SARIA itself would become liable to pay compensation to its contractual partners.
- (5) From the time of notification of the defect by SARIA, the expiration of the warranty period is suspended until the contractor has rejected the elimination of the defect in writing or SARIA or a publicly sworn expert has confirmed the elimination of the defect in writing. The elimination of a defect reported by SARIA means the acceptance of the warranty claim by the contractor. The warranty period therefore begins anew with the successful elimination of a defect.
- (6) In the case of contractually agreed or legally stipulated acceptance of the delivery, this is only deemed to have taken place with the written acceptance letter from SARIA. In these cases, the warranty period begins with the receipt of the acceptance letter, unless the acceptance or the sending of the acceptance letter is delayed for reasons for which SARIA is responsible. Then it begins with the provision of the delivery item ready for acceptance.
- (7) SARIA is entitled to withhold payment in the amount of 5% of the agreed remuneration if objective circumstances give reason to doubt that the contractor can fulfill future warranty claims. This applies, for example, if the company's creditworthiness index at Creditreform (Verband der Ver a Creditreform e.V., D-41460 Neuss) exceeds 250 or if insolvency proceedings are opened against the entrepreneur or in the case of rejection due to lack of assets or in the case of cessation of payments by the entrepreneur or in the case of otherwise poor credit information from recognized credit agencies or del credere insurers. The entrepreneur reserves the right to avert such retentions by providing a directly enforceable, unconditional and unlimited guarantee of a major German bank in the same amount. If SARIA has already paid in full when these circumstances become known to it, it can demand repayment or a bank guarantee in the aforementioned amount.
- (6) The contractor is liable for any infringements of property rights caused by his delivery and indemnifies SARIA from all claims of third parties in this regard.
- (7) A claim for damages directed against SARIA for breach of contract or breach of statutory duty exists only in the case of gross negligence or intent, unless it is a matter of injury to life or health of natural persons or in the case of breach of cardinal obligations. A claim directed against SARIA for indirect damages, in particular lost profit, is limited to 3% of the order value.

## **§ 8 Data protection**

Neither contractual partner is permitted to store personal data of the other contractual partner within the scope of the business relationship by means of electronic data processing, unless it is absolutely necessary for the execution of the transaction. The supplier/service provider undertakes to treat all information made available by SARIA to the supplier/service provider or its vicarious agents - whether in writing, verbally, by visual inspection or obtained in any other way - as strictly confidential and not to exploit it for its own or third party purposes. Each contracting party shall ensure by its own and verified organizational measures that any kind of confidential information cannot be inadvertently made accessible to unauthorized persons. If the involvement of other persons/consultants ("authorized third parties") is expedient or necessary, the Supplier/Service Provider shall oblige them to observe the contents of this Agreement, unless such persons are already bound to confidentiality by professional law.

## **§ 9 Partial Invalidity, Applicable Law and Place of Jurisdiction**

- (1) The law of the Federal Republic of Germany applies exclusively between SARIA and the contractor, excluding the UN Convention on Contracts for the International Sale of Goods. When providing the service, the entrepreneur must observe the law applicable at the place of performance and instruct his vicarious agents and subcontractors to do so.
- (2) The place of jurisdiction between the parties is Selm.
- (3) Should any provision in these terms and conditions or any provision within the scope of other agreements be or become invalid, this shall not affect the validity of all other provisions or agreements.

## **§ 7 Liability**

- (1) If the delivery is defective, if the Contractor breaches contractual and/or statutory duties of care, custody, information or other ancillary duties or if it fails to meet agreed deadlines (breach of contract), the Contractor shall be liable for the resulting damage without any further proof being required other than that of the objective breach of duty, the causal connection and the amount of damage. Insofar as liability under statutory provisions depends on the Contractor being responsible for the breach of contract, the Contractor may exempt itself from liability by proving that it is not responsible.
- (2) Insofar as the entrepreneur is liable, he also indemnifies SARIA from all claims that third parties make against SARIA on the basis of the same facts.
- (3) If a claim is made against SARIA due to violation of official safety regulations or due to domestic or foreign product liability rules and/or product liability law regulations because the contractor has delivered defective goods, then SARIA is entitled to claim compensation for the resulting damage from the contractor, insofar as it is caused by his defective delivery. Also included are recall costs, even if the recall is precautionary.
- (4) The Contractor shall maintain sufficient insurance coverage to cover its liability risks and shall provide evidence of such coverage upon request, which shall be admissible at any time.
- (5) The contractor will provide SARIA with proof of the existence of a recognized quality management system at SARIA's request, which is permissible at any time. The contractor guarantees a continuous quality control of his products, services and work performances.