

General Terms and Conditions of Purchase

PRÜFREX Innovative Power Products GmbH

PRÜFREX Engineering e Motion GmbH & Co. KG

Sec. 1 General/Scope of Application

- I. These General Terms and Conditions of Purchase apply exclusively to Companies.
- II. The following Conditions apply to all current and future contractual relationships of Prüfrex Innovative Power Products GmbH and Prüfrex Engineering e Motion GmbH & Co. KG, hereinafter referred to as "Prüfrex", and form part of the contractual relationship with the business partner, hereinafter referred to as "Supplier".
- III. Conflicting conditions or conditions that deviate from these General Terms and Conditions of Purchase shall only be recognised when Prüfrex expressly agrees to them in writing. Payment without objection alone does not signify acceptance of the Terms and Conditions of the Supplier.
- IV. Statutory provisions apply insofar as these General Terms and Conditions of Purchase do not contain any provisions.

Sec. 2 Offers and Offer Documents

- I. Offers submitted to Prüfrex by the Supplier can be accepted within 10 days by Prüfrex confirming them in writing. A refusal to accept by the Supplier delays the acceptance deadline.
- II. Prüfrex commits to keeping offers submitted by the Supplier for 10 days following receipt. Insofar as the Supplier does not declare his acceptance within this period, a later statement takes the form of a new offer to Prüfrex.
- III. Arrival at the recipient is decisive for timely acceptance.
- IV. If the Prüfrex order form does not contain price details, the price contained in the Supplier's order confirmation shall only be deemed as agreed upon once Prüfrex has confirmed it in writing.
- V. Quotations from the Supplier are generally binding, however shall not be remunerated.
- VI. Prüfrex retains ownership and copyright to all documents provided to the Supplier in connection with the order (e.g. calculations, drawings, etc.). The documents provided may not be made accessible to third parties unless Prüfrex provides the Supplier with prior written consent (cf. *further provisions of Sec. 11 Confidentiality*).
- VII. If the Supplier rejects an offer, fails to accept the offer in time or if a contract fails to be concluded for another reason, the Supplier shall return all documents provided by Prüfrex (technical drafts, sketches, samples, etc.) at its own expense.

Sec. 3 Prices and Payments

- I. In principle, all prices are agreed as fixed prices. These include all ancillary costs, packaging, shipping and customs clearance, if any, up to the place of receipt specified by Prüfrex, and are also understood to include the value added tax applicable under law. The applicable value added tax must be itemised separately in the invoice.
- II. Payment takes place by bank transfer in Euros (€).
- III. If public duties, taxes, freight charges, sales tax rates, customs duties, etc. are introduced or raised following conclusion of the contract, these shall be borne by the Supplier.
- IV. If the delivery date is more than 2 months after the contract is concluded, and the Supplier reduces his prices for the goods ordered by 5% or more following conclusion of the contract based on the originally agreed net purchase price, then the lower price stated by the Supplier at the time of delivery applies as agreed.
- V. Calculated from delivery and receipt of the invoice, the purchase price is to be paid within 20 days with a 3% discount, or within 45 days of receipt of the invoice (net) per bank transfer. If the product or service ordered is subject to an acceptance inspection or procedure, the payment period begins with the completion of the acceptance inspection and receipt of the invoice. If premature deliveries are accepted, the payment period starts from the agreed delivery date at the earliest.
- VI. Invoices can and shall only be processed by Prüfrex if they are directed to the company address specified by Prüfrex on the order and contain the corresponding order number, order date and the other statutory provisions (including information of pre-tax deduction, where applicable). The Supplier bears responsibility for all consequences and delays caused by failure to comply with the invoice specifications.
- VII. The Supplier is only entitled to offset if their counterclaims are undisputed or recognised by Prüfrex, or have been legally established by a court of law.
- VIII. The Supplier is not allowed to transfer rights from the contractual relationship. Sec. 354a GCC (HGB) remains unaffected in relation.

Sec. 4 Delivery, Delivery Deadline and Delivery Location

- I. Place of fulfilment and transfer of risk is the place of receipt determined by Prüfrex. If nothing is else is agreed, this is the Prüfrex head office in Cadolzburg, Germany.
- II. The method of delivery takes place according to the choice made by Prüfrex.
- III. Decisive for compliance with the delivery date or delivery deadline is receipt of the goods owed at the agreed delivery location.
- IV. The Supplier is obliged to inform Prüfrex immediately if they have reason to believe that they will not be able to fulfil their obligations in whole or in part, or fulfil them on time.
- V. The unconditional acceptance by Prüfrex of a delayed delivery or service does not constitute a waiver of any claims owing to the delayed delivery or service.
- VI. Delivery or partial delivery before the agreed delivery date is only permitted following prior written approval by Prüfrex.
- VII. Prüfrex can demand partial delivery at any time. This does not apply if partial delivery appears unreasonable to the Supplier when mutual interests are weighed up. As far as possible, partial deliveries shall always be made in the same time period with the same quantities, so that proper delivery within the delivery deadlines is possible.
- VIII. If series deliveries are agreed, the release quantities for the first 2 months following the first release date are binding. The follow-on dates for the 3rd and 4th month merely serve for scheduling the raw material. Dates that go beyond this serve as a non-binding preview for the Supplier. After the 1st month has terminated, the 3rd month is approved for fixed release and the 5th month for raw material planning, etc. The Supplier accepts this planning and accepts the resulting dates as binding, if they not do reject this provision in writing no later than 5 working days after the respective month has terminated.
- IX. Confirmations by the Supplier for individual releases for series deliveries are not required. Reference is made at this point to the legal obligation of Sec. 362 GCC (HGB).
- X. Delivery schedules can also be submitted via remote data transfer (fax or email).
- XI. If, due to an unforeseen hindrance, delivery is delayed by more than 4 weeks, Prüfrex is entitled to withdraw from the Contract. All previously rendered services shall be mutually refunded to the other Party in such a case.
- XII. Prüfrex is released from the obligation to take or accept delivery and is entitled to withdraw from the Contract if Prüfrex can no longer use the service for the original purpose. This also applies if the Supplier is not responsible for the delay in the delivery or service.
- XIII. If the Supplier suspends their deliveries or if an application for insolvency proceedings over their assets, or a court or out-of-court settlement procedure is made, Prüfrex is entitled to terminate the contractual relationship with immediate effect without asserting any claims for the unfulfilled part.
- XIV. Prüfrex can request changes in design and execution to the delivery item within the scope of what is reasonable for the Supplier. The effects, in particular, regarding additional and reduced costs and the delivery date, need be regulated in an appropriate manner by mutual agreement.
- XV. The Supplier must enclose with the delivery all contractually agreed, legally prescribed and requisite delivery papers and documents.
- XVI. The Supplier undertakes to supply replacement parts at reasonable conditions and prices for a period of 15 years following delivery.
- XVII. The Supplier shall prepare a delivery note in duplicate for each delivery and hand it over to Prüfrex on delivery. The shipping documents, Prüfrex order number, order items numbers, delivery quantity, weight, delivery date and all other information relevant to the delivery (e.g. drawing numbers) must be listed in the delivery documents.
- XVIII. Erroneous or incomplete shipping documents entitle Prüfrex to refuse acceptance. In any case, these documents must be delivered immediately. The Supplier must provide compensation for any resulting delays.
- XIX. The Supplier is obliged to provide any information Prüfrex requests in connection with the goods they deliver (e.g. conflict minerals, use of raw materials, chemicals, etc.) and to provide corresponding proof on delivery. In this context, the Supplier is obliged, in particular, to itemise the goods they deliver according to the IMDS database and supply Prüfrex with the corresponding IDs.
- XX. If a machine is the object of the delivery contract in terms of the Machinery Directive (2006/42/EC), the Supplier is also obliged to hand over the requisite risk assessment on delivery acc. to this directive. The Supplier also undertakes to comply with the following provisions or requirements on acceptance of the order:
 - a) Equipment and Product Safety Act (GPSG – Germany),
 - b) 9th Ordinance governing the Equipment and Product Safety Act (Machine Ordinance – 9th GPSGV),
 - c) Other statutory regulations pursuant to the GPSG that apply to the machine ordered,
 - d) The law governing the electromagnetic compatibility of equipment,
 - e) The EC Machinery Directive including its amendments,

- f) Other applicable EU community directives and
- g) All other harmonised European standards applicable to the machine ordered.

In the absence of harmonised European standards for the machine ordered, the Supplier undertakes to comply with the German standards and technical specifications promulgated by the Federal Government in the "Verzeichnis der Normen gemäß Maschinenverordnung – 9, GPSGV". If deviations from harmonised European standards or German standards and technical specifications take place in justified cases, the Supplier shall demonstrate and document that the same safety is achieved in another way.

This commitment includes

- a) The CE label being attached to a machine that is ready for use,
- b) An EC declaration of conformity in German being issued and attached in accordance with Annex II A EC Machinery Directive for a machine with the CE marking,
- c) The manufacturer's declaration in accordance with Annex II B of the EC Machinery Directive being enclosed with a machine that is not ready for use (non-compliance with the Directive). Realisation of the quality requirements for relevant internal market directives is a condition and has to be certified insofar as the delivery scope makes this possible,
- d) A certificate from an approved testing and certification body is submitted for a machine in accordance with Annex IV of the EC Machinery Directive (if applicable, proof of EC type examination),
- e) An operating manual in accordance with Annex I of the EC Machinery Directive and DIN EN ISO 12 100-2 is enclosed in German (including the noise emission and, if applicable, vibration parameters required therein),
- f) Technical documentation in accordance with Annex V of the EC Machinery Directive is held ready.

XXI. The Supplier undertakes to comply with the applicable standards and current environmental laws and standards for all items and products they offer and/or supply, including their method of production, in addition to the specifications of Prüfrex.

XXII. The Supplier agrees that, if more environmentally-friendly alternative products to the items to be delivered are available, they shall be presented to Prüfrex and offered if Prüfrex so requests.

XXIII. The Supplier undertakes to comply with the road traffic and environmental regulations and laws when using premises belonging to Prüfrex and to instruct their carriers or subcontractors accordingly.

XXIV. Goods generally have to be delivered rent-free for Prüfrex on pallets or in stacking containers. The Supplier bears the costs incurred for the return shipment or storage or disposal of the transport packaging if required.

XXV. Packaging material is only to be used to the extent required for this purpose. Only environmentally-friendly packaging materials are allowed to be used.

XXVI. Product packaging must be such that Prüfrex can dispose of it at no extra cost.

XXVII. The use of reusable packaging is possible. If this type of packaging is used, the Supplier shall advise of this and label the reusable packaging material as such. The provision and return of reusable packaging material takes place at the expense of the Supplier. Prüfrex assumes no responsibility and liability for the condition of returned, reusable packaging.

XXVIII. The Supplier is obliged to collect waste from the delivery at their own expense, separated into the following fractions, from the premises of Prüfrex and to recycle it at a material recycling plant, whereby the Supplier must provide proof of this at the request of Prüfrex: metal, glass (separated into flat glass, laminated glass, container glass), paper and cardboard, untreated plastics (PE, PP, polystyrene) and rubble (masonry, concrete, etc.). The material must be separated directly by the Supplier at the point of origin, avoiding contamination of the premises and/or mixing with other materials. The Supplier shall provide containers that are suitable for this purpose. Waste requiring special supervision is to be disposed of at the expense of the Supplier taking into account the applicable regulations. The Supplier shall dispose of site waste, which is free of recyclable material, at a designated landfill site. Excavations and humus must be used on-site or reused.

XXIX. The Supplier shall pack, label and ship dangerous goods in accordance with the requirements of the statutory provisions applicable at the time of delivery.

XXX. If the delivery is intended for export, the Supplier shall attach a written declaration of the customs origin of the delivery goods using the relevant form and hand it to Prüfrex enclosed with the respective delivery at the latest. The Supplier warrants that the delivered goods comply with all relevant legal provisions (export/import), and deliveries to countries other than the country of origin, including those of the destination country.

XXXI. The return of goods takes place at the risk and expense of the Supplier.

XXXII. In the event of a delay in delivery, the Supplier is obliged to provide compensation for the losses caused by the delay. This applies, in particular, to additional freight costs, retrofitting costs, cover purchases or losses from the interruption to business.

XXXIII. In the event that the delivery goods contain defects, Prüfrex is entitled to retain proportionate payment until proper fulfilment of the delivery has taken place.

XXXIV. For each breach of the aforementioned provisions in acc. with Sec. 4, the Supplier agrees to pay a contractual penalty at an amount of up to €10,000 in case of several bad deliveries within a single order, no more than €100,000 in total shall be due, however, unless the Supplier is not responsible for the breach. The actual amount of the contractual penalty shall be determined by Prüfrex at its own reasonable discretion. This shall be reviewed by the competent court in the event of a dispute. The assertion of other claims by Prüfrex and, in particular, claims for damages, is not excluded by payment of the contractual penalty, although the penalty shall be offset against the damages.

XXXV. An agreed contractual penalty for a delay in delivery or service remains unaffected in accordance with Sec. 340 II GCC (BGB). If a contractual penalty is agreed, it can be demanded at any time until the due date for final payment without it being necessary to reserve the right to enforce the penalty in accordance with Sec. 341 III GCC (BGB).

Sec. 5 Warranty Rights

- I. Prüfrex undertakes to inspect the goods for deviations in quality or quantity within a reasonable period of time. A complaint in accordance with Sec. 377 GCC (HGB) takes place within the deadline, provided that the Supplier receives it within five working days, calculated from the date the goods are received or hidden defects are discovered. Prüfrex making the payment does not represent acceptance or a waiver of the right to complain in acc. with Sec. 377 GCC (HGB).
- II. Insofar as an order is to be placed for DIN-standardised goods, then the quality is to be based on the pertinent DIN standards. Complaints are subject to the pertinent DIN tolerances. Claims for defects are not excluded in all other cases, even when
 - a) There is an insignificant deviation from the agreed quality;
 - b) There is an insignificant impairment in the usability;
 - c) Maintenance inspections or repair work or changes to the goods have been carried out by Prüfrex or third parties.
- III. Insofar as the order placed is based on a sample supplied by Prüfrex, all the properties of the sample shall be deemed to have been agreed as a property of the goods. In the case of further deliveries prior to delivery of the goods, the Supplier shall inform Prüfrex of any technical change or change in the condition of the contractual object vis-à-vis the characteristics of the sample. This also applies, specifically, to changes in one's own subcontractor or a change in the method of production or the manufacturer of the contractual product.
- IV. The Supplier shall comply with the recognised rules of technology, safety regulations and agreed technical data for his deliveries. Changes to the delivery item by the Supplier require the prior written consent of Prüfrex.
- V. If Prüfrex can demand the reimbursement from the Supplier of its costs by resorting to the statutory provisions of Sec. 478 (2) GCC (BGB), not only is the Supplier obliged to reimburse the original costs, but also pay any margins or other provably achievable mark-ups/profits.
- VI. Without prejudice to the aforementioned provisions or statutory warranty right, the Supplier assumes a warranty for the goods delivered for a period of one (1) year after commissioning – if necessary following rectification of any defects complained about – that the goods possess the properties assured by the Supplier, that no impairing defects occur during the warranty period or that any other impairment occurs in the intended use of the delivered goods.
- VII. If and insofar as the Supplier has assumed a warranty for the properties or durability of the goods, then the Supplier shall be liable regardless of fault.
- VIII. Insofar as safety data sheets for hazardous, operational and auxiliary materials are specified, the Supplier shall enclose these with the order confirmation free of charge at the initial time of order. If changes are made to the safety data sheets, the Supplier is obliged to immediately send the updated version to Prüfrex free of charge without any need for a separate request.
- IX. Irrespective of this, the Supplier shall constantly check and document the quality of the delivery items. The documentation is to be submitted to Prüfrex on request.
- X. With regard to specially marked components in the technical documentation or by separate arrangement, the Supplier shall also record in separate records when, in what manner and by whom the delivery items were tested for the characteristics subject to documentation and the results that the requested quality tests delivered. The test documents are to be kept for at least ten years and submitted to Prüfrex on request. The Supplier shall place its upstream suppliers under the same obligation within the scope of the legal options available. For guidance, reference is made here to VDA document "Dokumentationspflichtige Teile bei Automobilherstellern und deren Zulieferanten – Durchführung der Dokumentation", Frankfurt am Main, 1973.
- XI. Insofar as the authorities responsible for vehicle safety, emission regulations or similar demand to review the production process and test documents of Prüfrex, the Supplier shall, at the request of Prüfrex, agree to grant Prüfrex and the authority the same rights as their company and provide all reasonable support.
- XII. If the same goods are delivered with defects, Prüfrex is entitled to withdraw from the Contract entirely following a written warning in the case of another defective delivery. In this case, the Supplier cannot claim compensation for loss of profit.
- XIII. The limitation period for claims and rights of Prüfrex owing to defects in delivery and performance – for whatever legal reason – is 3 years from delivery of the goods to Prüfrex. The limitation period for the defect that led to supplementary performance begins again on completion of the supplementary performance measures for said component. Longer statutory limitation periods remain

- unaffected, as do more extensive provisions concerning the suspension of proceedings, inhibition and restarted deadlines.
- XIV. The Supplier guarantees that the goods are free of third-party rights and that the delivery does not breach third-party rights. The Supplier indemnifies Prüfrex and their customers from all claims concerning such property rights.
- XV. The Supplier undertakes to inform Prüfrex without delay of all known injury risks and injury cases connected with the delivery items.
- XVI. The aforementioned provisions on material defects apply accordingly to legal defects.

Sec. 6 Liability and Damages

- I. Insofar far as the Supplier is responsible for loss or damage caused by the product, they are obliged to indemnify Prüfrex at their initial behest in respect of claims for damages by third parties. The obligation to indemnify does not apply insofar as the claim is based on a grossly negligent or intentional breach of duty by Prüfrex.
- II. The Supplier is obliged to indemnify Prüfrex at their initial behest against any liability towards third parties or claims by third parties arising from the manufacture, delivery, storage or use of the goods delivered or the services rendered. The obligation to indemnify does not apply insofar as the claim is based on a grossly negligent or intentional breach of duty by Prüfrex.
- III. In this context, the Supplier is also obliged to reimburse any costs in accordance with Sec. 683, 670 GCC (BGB) that result from or in connection with an executed recall, insofar as the claim does not follow on from Sec. 830, 840 GCC (BGB) in connection with Sec. 426, 254 GCC (BGB). Insofar as possible and reasonable, Prüfrex shall inform the Supplier of the content and extent of the recall measures to be carried out and shall provide them with the opportunity to comment.
- IV. In addition to complying with the existing and contractually assumed statutory obligations in the event of defective product deliveries, the Supplier is also obliged to provide a minimum of the following liability insurance protection at all times and without interruption:
 - a) Business and product liability insurance at an insured sum of at least 5 million euros per personal injury/property damage claim.
 - b) Co-insurance of what is referred to as the "product liability model" acc. To the model conditions of the German Insurance Association (GDV) with a fully insured sum acc. to Subsection XIII.2.a) above, in which Subsections 4.1 to 4.4 and 4.6 of the GDV must be agreed upon and their geographical scope may not be restricted.
 - c) Recall cost insurance with an insured sum of at least 5 million euros based on the model conditions of the GDV, the geographical scope of which may not be restricted.
- V. The Supplier ensures that the products delivered are subject to both the insured risk for business and product liability insurance, as well as the recall cost insurance. If the delivered products are not covered by this, Prüfrex is entitled to withdraw from the Contract.
- VI. Any existing claims for damages by Prüfrex owing to product liability remain unaffected by this and remain separate to the existence and/or validity of the mandatory insurance.

Sec. 7 Violation of Property Rights and Patents

- I. The Supplier warrants that the patents and rights of third parties shall not be violated in connection with the delivered products.
- II. Prüfrex can withdraw from the Contract if they learn that a violation of this nature is in the offing while initiating the Contract or following its conclusion. In such a case, all services previously rendered by the Supplier shall be refunded. In return, the Supplier shall reimburse Prüfrex for all costs incurred up to that time. Insofar as similar services are concerned, Prüfrex has the right to offset.
- III. The Supplier shall inform Prüfrex of the use of published and unpublished proprietary and licensed intellectual property rights and patent applications for the delivery object without delay.
- IV. If third parties make claims against Prüfrex for violation of patents or other protective rights for the delivery item, the Supplier is obliged to indemnify Prüfrex against these claims upon first written demand.
- V. The indemnification of Prüfrex relates to all costs and expenses that arise as a necessity from or in connection with the claim by a third party.
- VI. Prüfrex is entitled to make agreements with the third party without the consent of the Supplier, and, in particular, to conclude a settlement in order to avoid or reduce its own liability.

Sec. 8 Retention of Title

- I. In principle, ownership of the delivered goods passes into the ownership of Prüfrex on transfer. If the Supplier has effectively retained title to the delivered goods until full payment of the agreed price, then ownership is transferred when the last payment process for the specific transaction is initiated. If title is retained, Prüfrex receives authorisation from the Supplier in acc. with Sec. 185 I GCC (BGB) concerning the resale of goods in the ordinary course of business.

- II. In the event that Prüfrex has not yet become owner of the delivered goods and maintenance and inspection work is to be carried out on them, the Supplier shall reimburse Prüfrex for the cost of this on request.
- III. Processing or conversion by the Supplier are carried out for Prüfrex. If objects from Prüfrex are processed with other objects that do not belong to Prüfrex, then Prüfrex acquires co-ownership of the new object in proportion to the value of its own object to the other processed objects at the time of processing. The same applies to the case of inseparable mixing. If mixing takes place in such a way that the Supplier's item is to be regarded as the main item, the Parties agree that the Supplier shall transfer co-ownership to Prüfrex on a pro-rata basis and retain the resulting sole ownership or co-ownership for Prüfrex.
- IV. Prüfrex retains ownership of all samples, models, drawings, illustrations, calculations and other documents supplied by Prüfrex within the scope of the order.
- VII. Prüfrex retains ownership of tools supplied to the Supplier. The Supplier is obliged to only use the tools for producing the goods ordered by Prüfrex. The Supplier is also obliged to insure the tools at their own expense against loss from fire, water and theft at their replacement value. The Supplier shall also perform any maintenance and inspection work required at their own expense in good time. Any faults are to be reported to Prüfrex immediately. The Supplier shall compensate Prüfrex for the resulting loss in the event of the failure to notify.
- VIII. Models, dies, templates, samples, tools and other means of production, and confidential information provided to the Supplier by Prüfrex or paid by Prüfrex in full, can only be used for deliveries to third parties with the prior written consent of Prüfrex.

Sec. 9 Assignment of Rights

Any transfer of rights of the Supplier – in particular the assignment of claims – from the Contract concluded with Prüfrex is excluded. Sec. 354 a GCC (HGB) remains unaffected.

Sec. 10 Confidentiality

- I. The Supplier undertakes to keep strictly confidential all confidential information received in the course of the business relationship and neither forward it nor otherwise make it accessible to third parties who Prüfrex has not expressly authorised, and to take appropriate precautions to protect the confidential information, at a minimum these being the provisions that the Supplier undertakes to protect particularly sensitive information concerning their own company.
- II. Confidential information includes all technical, economic, financial, legal, tax, business, employee or management information or other information (including data, records, and know-how) relating to Prüfrex or a company affiliated with Prüfrex (in terms of Sec. 15 German Stock Corporation Act (AktG)) and which is made directly or indirectly available by Prüfrex or a company affiliated with Prüfrex to the Supplier, its officers, employees, advisers or other third parties in connection with the business relationships between the Parties and/or their initiation, or which is learnt about it in any other way.
- III. Whether and on what medium the confidential information is incorporated is irrelevant; in particular, verbally transferred information is accepted as having been recorded.
- IV. The Supplier shall inform all persons entitled to receive confidential information about the content and scope of their rights and obligations concerning this confidentiality agreement and ensure that all such persons comply with these provisions. The Supplier shall demonstrate to Prüfrex on request that appropriate measures have been taken.
- V. The Supplier shall use the confidential information exclusively for the purpose of the business relationship and/or its initiation with Prüfrex.
In particular, the Supplier shall not use the confidential information to gain an advantage over Prüfrex in the competitive environment, or a company affiliated with Prüfrex or a third party.
- VI. Without being solicited to do so, the Supplier shall promptly return all materialisations of confidential information, submitted designs, records, calculations, drawings, templates, illustrations and similar items or documents, including all copies thereof, to Prüfrex at the end of the business relationship and delete or destroy all stored data in full.
- VII. The Supplier is obliged to immediately return, delete or destroy before the end of the business relationship, as soon as a corresponding request is made by Prüfrex, or if settlement or insolvency proceedings are applied for concerned the assets of the Supplier.
- VIII. The Supplier shall have an independent third party confirm that deletion or destruction has taken place on written request by Prüfrex.
- IX. The obligation to return, delete or destroy does not apply to routinely made backup copies of electronic traffic, insofar as confidential information is required to be stored by law. However, confidential information that is not returned, destroyed or deleted is subject to an indefinite confidentiality obligation under these confidentiality provisions.
- X. The Supplier shall promptly inform Prüfrex in writing if its officers, employees or advisers who become aware that confidential information has been disclosed in breach of this confidentiality agreement.

- XI. The Supplier shall only advertise their business relationship with Prüfrex with the prior written consent of Prüfrex.
 - XII. This confidentiality agreement does not apply if
 - a) Prüfrex has granted the Supplier prior written consent to disclose the confidential information to a third party in a specific individual case;
 - b) The Supplier, its officers, employees or advisers obtained the information from a third party prior to this confidentiality agreement being concluded or subsequently obtained it from a third party without breaching this agreement, provided that the third party lawfully acquired the information and by disclosing it does not breach a confidentiality agreement to which it is bound;
 - c) The Supplier established the information independently to the information supplied by Prüfrex;
 - d) The information was already known in the public sphere at the time Prüfrex transferred it or subsequently became public knowledge without breaching this confidentiality agreement;
 - e) The Supplier has refused to accept receipt of the confidential information prior to its release and Prüfrex provided the Supplier with the confidential information nevertheless;
 - f) The Supplier is obliged to disclose the confidential information by order of a competent court or authority or other body or by law, whereby the Supplier must take all reasonable steps to prevent or limit the disclosure of the confidential information to the maximum extent possible.
If the Supplier considers themselves obliged to do so, they shall inform Prüfrex in writing, insofar as this is legally permissible, in good time prior to disclosure, so that Prüfrex can take legal measures to prevent disclosure if necessary. In the notification, the Supplier shall inform Prüfrex in a suitable manner, e.g. by submitting the written opinion of a legal adviser concerning which confidential information needs to be disclosed and on what legal basis. The Supplier shall only disclose the part of the confidential information that actually needs to be disclosed.
- The burden of proof for the existence of these exemptions is borne by the Supplier.

- XIII. For each breach of this confidentiality obligation, the Supplier undertakes to pay a contractual penalty up to the amount of €10,000. In the case of several breaches, however, a total of €100,000 at the most shall be paid, unless the Supplier is not responsible for the breach. The actual amount of the contractual penalty shall be determined by Prüfrex at its own reasonable discretion. This shall be reviewed by the competent court in the event of a dispute. The assertion of other claims by Prüfrex and, in particular, claims for damages, is not excluded by payment of the contractual penalty, although the penalty shall be offset against the damages, however.
- XIV. In addition to asserting a contractual penalty, Prüfrex can also withdraw from the Contract. In such a case, all services previously rendered by the Supplier for the order shall be refunded. In return, the Supplier shall reimburse Prüfrex for all costs incurred up to that time. Insofar as similar services are concerned, Prüfrex has the right to offset.
- XV. This confidentiality agreement applies for the entire term of the business relationship and/or initiation of the business relationship, as well as 5 years beyond termination of the business relationship between the Parties and/or the failure to initiate the business relationship.

Sec. 11 Compliance

The Supplier is obliged to refrain from actions that may lead to criminal liability for fraud or embezzlement, insolvency offences, offences against free competition, the granting of advantages to or the bribing of persons employed by Prüfrex or other third parties.
In the event of a breach, Prüfrex is entitled to terminate all contracts that exist between the Parties without notice, without the Supplier being able to assert claims for whatever reason. In such a case, all services previously rendered by the Supplier shall be refunded. In return, Prüfrex shall be reimbursed for all services and items provided by the Supplier up to that date. Insofar as similar services are concerned, Prüfrex has the right to offset.

Sec. 12 Import/Export/Import and Export Control Regulations

- I. The Supplier is advised that the import/export of products that are subject to the Foreign Trade and Payments Act (AWG – Germany) or US export laws (embargo regulations) is only possible with the consent of the respective authorities. The Supplier is solely responsible for complying with the pertinent regulations. In particular, the Supplier must obtain the requisite approvals and licenses at its own expense and bears the risk in the event that these are not granted.
- II. The Supplier also assumes liability if the products delivered are not in accordance with the legal provisions of the destination country. If deliveries are made based on drawings, models, samples or similar provided by the Supplier, or using parts supplied by the Supplier, the Supplier must ensure and guarantee that third-party rights are not violated by doing so. In the event of a claim by third parties for the breach of property rights the Supplier shall indemnify Prüfrex against all claims and compensate them for all costs and losses incurred in this regard, including any legal costs, unless Prüfrex acted deliberately or with gross negligence on delivering the products with regard to the breach of third-party rights.
- III. A breach of property rights of the Supplier by using a drawing or other information and/or its implementation for purposes other than in the interest of the Supplier can only be held against Prüfrex if the Supplier pointed out the existence of the property rights by making written reference to them on transferring the drawings or other information to Prüfrex.

Sec. 13 Jurisdiction and Applicable Law

- I. The Parties agree to Fürth/Bavaria as jurisdiction for all disputes arising from the business relationship, unless otherwise required by law.
- II. The contractual relationships are subject exclusively to the law of the Federal Republic of Germany.
- III. The provisions of the U.N. Sales Convention do not apply.

Sec. 14 Contract Language

- I. The language of the Contract is German.
- II. All declarations and agreements made by the contracting parties must be made in German.
- III. Prüfrex assumes no liability for misunderstandings or discrepancies which have their origin in orders and/or instructions from the Supplier which are not in German being misunderstood, unless the Supplier can prove intent or gross negligence against Prüfrex.
- IV. Insofar as Prüfrex provides these General Terms and Conditions in a version other than German, the German version prevails in the event of an objection or other deviations, and in the event of a dispute concerning its interpretation.

Sec. 15 Written Form and Severability

- I. Agreements and changes by the Parties to this Agreement must be made in writing. This also applies to the written form requirement itself.
- II. If any provision of these Conditions or further agreements is or becomes invalid, it shall not affect the validity of the remaining provisions of these Conditions and the further agreements. The Parties shall be obligated to replace the invalid provision with one that comes as close as possible to the economic purpose of the invalid provision. The legal framework shall apply until such a provision has been agreed.

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