General Purchasing Terms and Conditions of CIECH Salz Deutschland GmbH

Date: January 1, 2020

1. General terms and scope of application

1.1 All deliveries, services, and offers of our suppliers shall be exclusively governed by these General Purchasing Terms and Conditions. They are an integral part of all contracts made by us with our suppliers for the deliveries and services they offer.

1.2 Any differing, conflicting, or supplementing terms and conditions of business of the supplier shall only apply if and to the extent that they have been expressly approved by us in writing. Any differing, conflicting, or supplementing terms and conditions of business of the supplier shall not become an integral part of the contract, even if we accept deliveries without reservation in full awareness of such terms and conditions of business.

1.3 These General Purchasing Terms and Conditions shall also apply, as amended from time to time, as a framework agreement to future contracts for the sale or delivery of movable items with the same supplier without us being required to refer to them in each individual case. If our General Purchasing Terms and Conditions change, we will notify supplier thereof without undue delay.

1.4 The agreement concluded with the supplier in writing, including these General Purchasing Terms and Conditions, fully reflects all agreements between us and the supplier. Individually contractual agreements made with the supplier on a case-by-case basis, including any side agreements, supplements, or modifications, shall in any case prevail over these General Purchasing Terms and Conditions. A written contract or a written confirmation by us shall be decisive for the content of such agreements.

1.5 Legally relevant declarations and notifications which the supplier is required to issue to us after conclusion of the contract (e.g. termination notice, setting deadlines, dunning notice, or declaration of rescission) require written form to be effective.

2. Conclusion of the contract

Orders shall not be deemed binding until issued or confirmed in writing. The supplier shall confirm our order in writing within a period of two weeks or execute it without reservation (acceptance). Late acceptance shall be deemed to be a new offer and requires acceptance by us (e.g. by acceptance without reservation).

3. Delivery time and default in delivery

3.1 The delivery shall be made immediately unless otherwise agreed. The supplier shall inform us without undue delay in writing if it becomes evident that he will most likely not be able to meet delivery times.

3.2 If the supplier does not render his performance at all or not within the agreed time limit or is in default, our rights shall be governed by statutory law, in particular with regard to the rescission right and right to compensation for damages. The provisions in clause 3.3 shall remain unaffected.

3.3 In case of default in delivery the supplier shall pay a contractual penalty in accordance with the order form without evidence of damage. We may demand this contractual penalty in addition to supplier's performance as a minimum amount of the compensation for damages owed by the supplier pursuant to statutory law. The assertion of any further claim for damages shall remain unaffected. In the event of acceptance of late performance, we reserve our right to enforce the contractual penalty until the final payment is made. Further claims and rights shall be reserved.

4. Performance, delivery, and passing of risk

4.1 Without our prior written consent, the supplier shall not be entitled to have third parties (e.g. subcontractors) render any performance owed by him on our premises. We shall be entitled to request information on the third party (e.g. name, address) from the supplier.

4.2 If the supplier ships the item at our request, the supplier shall include a delivery note with the delivery, which must particularly contain information to identify the delivery (e.g. order number, article number, order date, shipment date) and concerning the content of the delivery (e.g. article, description of the goods, quantity, weight, dimensions). A missing or incomplete delivery note shall not render us responsible for any resulting delays in processing and paying for the delivery.

4.3 The supplier shall not be entitled to make partial deliveries without our express prior consent.

4.4 The risk of accidental loss and accidental deterioration of the item shall pass to us upon handover, unless agreed otherwise. The same shall apply if the supplier ships the item upon our request and hands it over to a shipping company or freight forwarder of his choice; section 447 paragraph 1 of the German Civil Code (BGB) shall insofar not apply. Is for the passing of risk a time prior to the handover agreed, the risk shall not pass to us before the item is handed over if and to the extent that the supplier has not carried out the packaging and loading in a due and appropriate manner. Our default in acceptance shall be deemed equivalent to a handover; the occurrence of the default in acceptance shall be determined by statutory law.

4.5 If formal acceptance has been agreed, it shall be affected formally by countersigning an acceptance protocol after completion.

4.6 If supplier fails to perform an agreed weighing, the received weight determined on our calibrated scales shall apply.

5. Prices and payment terms

5.1 The price stated in the order shall be binding. All prices shall include statutory value added tax, unless it is shown separately.

5.2 We will pay in euro. Unless otherwise specified in the order, we shall pay within 30 calendar days after complete delivery and performance as well as receipt of a proper invoice.

5.3 Unless otherwise agreed, the price shall include all the performances and ancillary performances of the supplier (e.g. installation or assembly, including material cost and time spent) as well as all incidental cost (e.g. cost of packaging and loading, transport cost, cost of transport or liability insurance, disposal). The supplier is required to take back packaging material upon our request.

5.4 We shall be entitled to retention or set-off rights in accordance with statutory law. This shall also apply for the plea of non-performance of the contract. We particularly have the right to refuse payments due for as long as and to the extent that we are holding claims against the supplier arising from incomplete or defective performance.

5.5 The supplier shall only have retention or set-off rights based on counterclaims that are undisputed or have been established with legally binding effect.

6. Installation, assembly, and other activities

6.1 When carrying out installations, assemblies, or other activities on our business premises, the supplier and third parties commissioned by him shall adapt to the ordinary working hours at our plant, comply with our applicable service and safety regulations and to follow our corresponding requests at any time.

6.2 The supplier shall be liable that any statutory provisions and those issued by public authorities, in particular any provisions issued by the Trade Supervisory Office and by the Construction Supervision Agency, the statutory Construction Sites Ordinance and the construction site regulations of the Sodawerk in Staßfurt, as well as the accident prevention provisions and regulations established by the employers' liability insur-

ance associations and, moreover, generally accepted safety-related and occupational health rules are exactly observed and enforced in every way. The supplier shall be responsible for appropriate training of his staff and of third parties commissioned by him.

6.3 The supplier undertakes to indemnify us from and against any claims for damages made against us based on breaches of duty by his staff or third parties commissioned by him – particularly also in the case of violations of the provisions described in clause 6.2, accident prevention provisions, regulations and rules – in our plants and particularly also in respect to claims for damages asserted against us because of accidents suffered by supplier's staff or of third parties commissioned by him.

6.4 The supplier shall take care of himself that materials, tools, work clothing, and other equipment is stored and guarded. In so far we disclaim any liability vis-à-vis the supplier for any loss or damage to the items referred to in sentence 1, unless we, our legal representatives, or vicarious agents acted intentionally or with gross negligence.

7. Warranty

7.1 Statutory law shall apply in respect to our rights in the case of material and legal defects, unless provided for otherwise in the following provisions. Notwithstanding our warranty claims due to statutory law and any individual contractual agreements, the supplier shall in particular warrant that the delivered item performs as agreed and complies with the provisions imposed by law, public authorities, or employers' liability insurance associations described in clause 6.2.

7.2 With regard to commercial inspection and objection duties, statutory law (section 377, 381 of the German Commercial Code (HGB)) shall apply, provided that our inspection duty shall be limited to defects that become evident during an external inspection as part of our incoming inspection process, including an inspection of the delivery documents, and our quality control, which is based on random sampling (e.g. transport damage, wrong delivery, short delivery). Beyond that, the inspection duty shall only apply as far as this is appropriate considering the circumstances of the individual case in the ordinary course of business. Our duty of objection for defects discovered subsequently shall remain unaffected. The objection shall be deemed to have been raised without undue delay and in due time in any case if the supplier receives it within 3 working days after receipt of the goods.

7.3 Depending on our choice, we shall be entitled to demand rectification of the defect or delivery of a non-defective item (section 439 paragraph 1 BGB) from the supplier as subsequent performance. If the supplier fails to fulfill the subsequent performance obligation within a reasonable deadline determined by us, we shall be entitled to remedy the defect ourselves and demand compensation from the supplier for the expenses incurred. We shall be entitled to demand an advance payment from the supplier for the expenses necessary for remedying the defect. The right of the supplier to refuse subsequent performance according to section 439 paragraph 3 sentence 1 BGB shall remain unaffected. If the subsequent performance by the supplier fails or if it is not possible and unreasonable because of extreme urgency to set a subsequent performance deadline for the supplier, no deadline needs to be set. In these cases we shall notify the supplier without undue delay if possible in advance.

7.4 Should we rescind the contract, we have the right to continue using the ordered item free of cost until we obtain a replacement; this shall leave the maturity of our claim for reimbursement of any payments made unaffected thereby.

7.5 The general limitation period for warranty claims shall be 3 years from the date of our receipt of the delivery, unless the law provides for a longer limitation period. If a formal acceptance has been agreed, the limitation period shall commence at the time of the formal acceptance.

8. Patents and other industrial property rights

8.1 In accordance with the provisions of clause 8.2, the supplier bears the responsibility that items delivered by him shall not infringe any patent or other industrial property right of third parties in the countries of the European Union or, to the extent that the supplier is aware of the country of destination of the delivered items at the time of conclusion of the contract, in the country of destination of the items.

8.2 If a third party brings a claim against us on the grounds of an infringement of any patent or other industrial property right described in clause 8.1, the supplier shall be obligated to indemnify and hold us harmless from and against such claim. The indemnification obligation extends to all necessary expenses incurred by us from or in connection with the assertion of the claim. The indemnification obligation shall not apply if the supplier proves that he is not responsible for the breach of duty underlying the infringement of industrial property rights. Without the consent of the supplier, we shall not be authorized to enter into any agreements with third parties in this regard, particularly not into any settlements.

8.3 Our rights in accordance with clause 8.2 shall lapse after 3 years from the date of our receipt of the delivery, unless the law provides for a longer limitation period. Our rights shall not come under the statute of limitations, however, for as long as the third party can still assert the patent or other industrial property right against us, in particular if the claim of the third party has not come under the statute of limitations yet.

8.4 Further claims due to statutory law provisions or contractual agreements shall remain unaffected hereof.

9. Spare parts

9.1 The supplier is required to maintain spare parts for the items delivered to us for a period of time after delivery as stipulated in the contractual agreement.

9.2 Should the supplier intend to cease production of spare parts for items delivered to us, he shall notify us thereof in good time prior to the end of production of the spare parts in order to allow additional orders.

10. Manufacturing drawings, other documents and secrecy

10.1 Until the date specified in the order, the supplier shall supply us with one free copy of each of the manufacturing drawings in digital form for the purposes of examination, which shall become our property. Should he fail to do so and if there should be subsequent changes in the execution of the order, these shall all be borne by supplier. Changes requested by us shall be borne by us after our approval if this occurs after the start of production.

10.2 The supplier shall supply us with two free copies of each of the manufacturing drawings approved by us in digital form and in paper form including any required drawings and descriptions for the training of the supervisory and operating personnel, which shall become our property. If concession documents are required by administrative regulations, these shall also be provided free of charge to the extent required, including a list of all parts exposed to wear and tear. The list shall be made in such detail so that it will be easily possible to obtain the corresponding spare parts based on it.

10.3 We reserve the right to demand works certificates on the properties of materials from the supplier.

10.4 The supplier shall review the order as well as the drawings, descriptions, images, calculations, and other documents made available by us with regard to correctness, completeness, and feasibility (e.g. in relation to dimensions, local conditions, and write or calculation errors). The supplier shall inform us about any concerns in writing without undue delay. We reserve the rights of ownership and copyrights in respect to orders made by us as well as documents provided to the supplier. The documents must not be used for any purposes other than those provided for in the contract and must be returned to us without undue delay upon completion of the order or inquiry without further request.

10.5 Orders, drawings, descriptions, illustrations, calculations, and other documents must be kept secret by both contracting parties during the duration of the execution of the contract and for a period of 4 years after complete delivery and performance and must not be made accessible to third parties without the consent of the respective other party. The respective contracting party shall grant its consent, to the extent that the other contracting party is required to disclose such documents by law or public authorities. The duty of secrecy shall lapse if and to the extent that the knowledge contained in the documents provided has become generally known.

11. Reservations of title, assignment and data protection

11.1 Reservation of title of the supplier shall apply only to the extent that our payment obligation for the respective delivered items is concerned, in which the supplier reserves the right of ownership. Any expanded or extended reservations of title of the supplier shall be excluded and will not be recognized by us.

11.2 The assignment of claims of the supplier against us arising from the contractual relationship requires our prior approval. This shall not apply to claims for money.

11.3 We shall be entitled to collect, process, and use data of the supplier that is necessary within the scope of the business relationship in accordance with the provisions of the German Data Protection Act (Bundesdatenschutzgesetz).

12. Place of performance, choice of law and jurisdiction

12.1 Staßfurt shall be place of performance for both parties.

12.2 These General Purchasing Terms and Conditions and all agreements made between us and the supplier shall be subject to the law of the Federal Republic of Germany excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

12.3 Magdeburg shall be exclusive place of jurisdiction for all disputes arising from the contractual relationship if the supplier is a merchant, a legal entity under public law, or a special fund under public law.