

**General Terms and Conditions of Purchase of Schütte Group, namely of the companies:
Schütte, Meyer & Co. Gusstechnik GmbH, Schütte Industrie Service GmbH,
Edelhoff GmbH Catalyst Handling Technologies, Roßbach Umwelttechnik GmbH**

1. Scope

- 1.1 We shall conclude contracts with entrepreneurs, legal persons under public law and public-law special funds on deliveries and services ordered by us only on the basis of these General Terms and Conditions of Purchase (GTCP) in their respective valid version.
- 1.2 Our GTCP shall also apply to all future contracts within the scope of the current business relationship with the supplier. The supplier may, at any time, call up and download our GTCP on the Internet at www.schuettemeyerquuss.de.
- 1.3 Any terms and conditions of the supplier opposing our GTCP or deviating from our GTCP or any unilateral terms and conditions of the supplier shall not apply even if we do not expressly reject them or accept or render services without any reservation; unless we have expressly agreed upon such terms and conditions in writing in individual cases.

2. Conclusion of the contract, written form

- 2.1 Our purchase order shall only be binding if placed and confirmed by us in writing.
- 2.2 Our purchase order shall be decisive for the scope of the subject matter of the contract. The supplier must inform us about any obvious errors and incompleteness of the purchase order including the purchase order documentation before accepting the contract. Any tools, models, drawings and other documents missing on receipt of the purchase order must be requested from us in writing when the supplier confirms the order at the latest.
- 2.3 The supplier shall be obliged to confirm our purchase order within a period of one week in writing or to dispatch the goods without any reservation; otherwise, we shall be entitled to cancel the purchase order.
- 2.4 The preparation of quotations and development of projects by the supplier shall be non-binding and free of charge for us.
- 2.5 Within reasonable limits for the supplier, we may require changes to the delivery item as regards the construction and the design. Here, the effects, particularly with respect to any increases or reductions in costs as well as to the delivery times, must be settled reasonably and by mutual agreement.

3. Prices, payments, offsetting, assignment

- 3.1 The price specified in the purchase order shall be binding. Any price increases during the period from the ordering to the delivery shall be excluded. If the supplier reduces their prices or improves their conditions during the period between purchase order and delivery, the latter shall apply.
- 3.2 The contract currency shall be euro.
- 3.3 The price specified in the purchase order shall be subject to the international commercial term DDP (Incoterms 2010). It shall include, in particular, packaging, freight, postage, value guarantee and transportation insurance as well as the turnover tax and, for deliveries from abroad, also customs clearance.
- 3.4 Payment shall be made with a 3 % discount on the net invoice amount within 14 days from the receipt of the invoice and complete receipt of the goods; otherwise, payment shall be made within 60 days from the receipt of the invoice and complete receipt of the goods net.
- 3.5 For the timeliness of our payments, the receipt of a remittance order at our bank with sufficient cover of the account shall be adequate.
- 3.6 If we make payments in a foreign currency due to any special agreements with the suppliers, the basis of the exchange rate shall be the official asked price of the fixing of the Frankfurt stock exchange on the day of payment.
- 3.7 We shall be entitled to offsetting and retention rights to the extent permitted by law. The same shall apply if pleas are raised. The supplier may only exercise any offsetting and/or retention rights for legally effective or undisputed counterclaims.
- 3.8 Without our prior written approval that must not be unreasonably withheld, the supplier shall not be entitled to assign their claims against us or to instruct third parties to collect them.

4. Delivery time, fixed dates, interest, subcontractors, spare parts

- 4.1 The delivery time specified in the purchase order shall be binding. The supplier must ensure that a sufficient amount of materials and spare parts is available in their warehouse in order to be able to meet their contractual duties to deliver at any time.
- 4.2 The supplier shall be obliged to inform us immediately in writing if circumstances occur or if they become aware of circumstances with the consequence that the delivery time agreed upon cannot be complied with.

- 4.3 In the event of a delay in delivery, we shall be entitled to the statutory claims. In particular, we shall be entitled to request damages instead of performance and to withdraw from the contract upon unsuccessful expiration of a reasonable grace period.
- 4.4 The acceptance of delayed deliveries shall not constitute a waiver of our claims arising from the delay.
- 4.5 We shall not owe any default interest. Any claims to default interest that amount to a maximum of five percentage points above the respective base interest rate shall remain unaffected. Without a written reminder, we shall not be deemed in default.
- 4.6 The supplier shall have the work carried out by their own qualified personnel. Upon our prior written approval, the work may also be carried out by third parties (subcontractors).
- 4.7 The supplier shall be obliged to provide us with spare parts for the period of ten years from the delivery at the respective valid spare part prices, in particular, when the business relationship has ended.

5. Packaging, shipment, price risk and title

- 5.1 The packaging should allow transportation by means of a forklift truck as well as stacking (for packaged goods of more than 30 kg). The packaging must be provided free of charge and taken back free of charge upon our request. The supplier must take back any pallets and containers free of charge; for subsequent deliveries by means of an exchange procedure.
- 5.2 Upon our request, the supplier must provide us with certificates regarding the packaging materials used.
- 5.3 Delivery and shipment shall be made at the supplier's risk.
- 5.4 The delivery must be accompanied by the delivery notes stating the date (issue and shipment), contents of the delivery (item number and quantity) as well as our order identification (date and number) and the bill of parcels. If the shipment is delivered by ship, the name of the shipping company and the ship must be stated in the shipping documents and invoice. If we bear the costs of transportation due to a special agreement, the supplier must select the transportation possibility that, amongst the suitable transportation possibilities, is the most favourable for us. In all notifications of despatch, delivery notes, bills of parcels, consignment notes, invoices, the order data and information about the unloading point prescribed by us must be fully provided on the exterior packaging etc.
- 5.5 The supplier must pack, label and dispatch any and all products to be delivered to us, especially dangerous products, in accordance with the national / international regulations. In addition to the danger class, the accompanying documentation must also include the other information defined by the respective transportation regulations.
- 5.6 The supplier shall be liable for any damage and shall bear any and all costs that incur due to non-compliance with the provisions 5.1 to 5.5 above. The supplier shall also be responsible for compliance with the transportation provisions by their suppliers. Any and all shipments that cannot be accepted due to non-compliance with the provisions 5.1 to 5.5 shall be stored at the supplier's expense and risk. We shall be entitled to check the contents and condition of such shipments.
- 5.7 If acceptance is agreed upon, this acceptance shall be decisive for the passing of risk.

6. Goods that do not conform to the contract

- 6.1 The supplier shall warrant that the delivery item does not have any defects impairing its value or suitability, has the quality agreed upon, is suitable for the intended use contractually agreed upon and complies with the generally accepted engineering standards, the applicable statutory and official regulations, particularly all safety requirements and occupational health and safety and accident prevention provisions.
- 6.2 In order to ensure the quality of their deliveries, the supplier must carry out a quality inspection and outgoing goods inspection suitable for the type and scope of the delivery. Our initial sample approval shall not release the supplier from carrying out these inspections and neither shall the requirements set out in our technical terms and conditions of delivery or specifications restrict them.
- 6.3 Our duty to inspect shall be limited to defects that are revealed during our incoming goods inspection by an external examination including the shipping documentation as well as during our quality inspection by means of sampling (e.g. damage during transit, wrong and short deliveries). If acceptance is agreed upon, the duty to inspect shall not apply. Moreover, it shall be decisive to what extent an inspection is feasible within the ordinary course of business taking into account the circumstances of the individual case.
- 6.4 Our complaint shall be deemed timely if it is received by the supplier within a period of 15 working days, calculated from the complete receipt of the goods, or in the case of hidden defects from the discovery.

6.5. We shall be entitled to the statutory warranty claims without any restrictions. In the event of a warranty claim, we may choose between repair (subsequent improvement) and delivery of a delivery item free from defects (subsequent delivery) unless the supplier provides evidence that the subsequent performance variant selected by us causes unreasonable costs and that the other subsequent performance variant does not entail any significant disadvantages for us. Subsequent performance shall also comprise any required installation and removal of the delivered goods and the costs incurring from this.

6.6. If the supplier fails to comply with their duty to render subsequent performance within a reasonable grace period specified by us, we may, without prejudice to any other rights, remedy the defect ourselves and request that the supplier reimburses the expenses necessary for this.

6.7. Deviating from section 442 (1) sentence 2 *BGB* [German Civil Code], we shall also have unlimited warranty claims even if the defect has remained unknown to us upon the conclusion of the contract due to gross negligence.

6.8. The warranty period shall be 36 months, calculated from the passing of risk unless mandatory provisions set out in the sections 478, 479 *BGB* dictate otherwise or the supplier grants us a longer warranty period. After the removal of the defects by the supplier, the warranty period shall commence again for the goods affected by this, in the event of a serial defect for the entire series.

7. Our liability

7.1. Any claims for damages of the supplier, irrespective of their legal grounds, as well as claims for reimbursement of futile expenses shall be excluded unless the damage was caused by an intentional or grossly negligent breach of duty or at least by a negligent breach of a contractual duty whose breach jeopardises the achievement of the contractual purpose (essential contractual duty); in the latter case, the amount our liability shall be limited to the amount of the typically arising and foreseeable damage.

7.2. The limitation of liability in accordance with provision 7.1 shall also apply to the personal liability of our employees, representatives and organs as well as to our vicarious agents.

7.3. The limitations of liability in accordance with provisions 7.1 and 7.2 shall not apply to personal injuries, i.e. for damage arising from injuries to life, limb or health, in the case of liability in accordance with the product liability law or to the extent that we have assumed a guarantee as an exception.

8. Limitation of action

8.1. Deviating from section 195 *BGB*, the statutory period of limitation for claims of the supplier against us, particularly purchase price payment and remuneration claims, shall be 24 months unless the law stipulates a shorter period of limitation.

8.2. Provision 8.1 shall not apply in the event of an intentional or grossly negligent breach of duty or at least by a negligent breach of a contractual duty whose breach puts the achievement of the contractual purpose by us at risk (essential contractual duty) as well as in the cases referred to in provision 7.3. In these cases, the statutory periods of limitation shall apply.

9. Industrial property rights

9.1. The supplier shall indemnify us from and against any claims asserted by third parties arising from the violation of property rights and applications for property rights (industrial property rights) in the contractual use of the delivery item upon first request.

9.2. The supplier's duty to indemnify shall cover any and all damage and expenses that necessarily incurred by us from or in connection with the assertion of claims by third parties.

9.3. Upon the corresponding indemnification by the supplier, we shall not be entitled to make arrangements, especially to reach settlements, with the party injured with respect to such claims without the supplier's approval.

9.4. The supplier and we shall inform each other immediately about any infringement risks and alleged infringements that become known to give us the opportunity to mutually counteract any corresponding claims at the expense of the supplier.

10. Liability of the supplier, insurance

10.1. Furthermore, the supplier shall be liable in accordance with the statutory provisions. If claims are asserted against us by third parties due to a defect of the delivery item resulting from product or producer liability or if we are obliged to take action in order to avoid hazards, the supplier shall indemnify us from and against any damage and expenses resulting from this upon first request.

10.2. The supplier shall also reimburse us the costs for a required recall campaign if any.

10.3. The supplier shall be obliged to maintain adequate product liability insurance with an insurance coverage per insured event of at least € 5,000,000.00 for personal injuries or

damage to property and € 1,000,000.00 as well as adequate product recall coverage until the expiry of the warranty period. The supplier shall already now assign us any and all claims for compensation due to product damage arising from this insurance; we shall herewith accept the assignment. Upon our request, the supplier must at any time provide us with evidence of the insurance by means of a written confirmation of the insurer.

11. Provision, tools, licences, maintenance of secrecy

11.1. The supplier shall carry out any processing or conversions of the parts provided by us (goods subject to the reservation of title) on our behalf. If our goods subject to the reservation of title are mixed with other objects that do not belong to us, we shall acquire co-ownership in the new item in proportion to the value of our item (purchase price plus turnover tax) to the other processed items at the time of the processing. If the item provided by us is mixed inseparably with other items that do not belong to us, we shall acquire co-ownership in the new item in proportion to the value of the goods subject to the reservation of title (purchase price plus turnover tax) to the other mixed items at the time of the mixture. If mixing is performed in such a manner that the item of the supplier is to be regarded as the principal item, it shall be deemed to have been agreed that the supplier assigns us co-ownership on a pro rata basis. The supplier shall hold the sole ownership or the co-ownership on our behalf.

11.2. We shall reserve any property rights and copyrights in any figures, drawings, calculations, moulds, models, tools and other documents; without our explicit written consent, they must not be made available to third parties. They must be solely used for manufacturing on the basis of our purchase order. Upon completion of the purchase order, they must be returned to us without any need for such being requested. They must not be disclosed to third parties. The supplier shall, at their own expense, be obliged to insure the tools, moulds and models that belong to us at their replacement value against fire and water damage and theft at the usual rates. The supplier shall already now assign us any and all claims for compensation arising from this insurance; we shall herewith accept the assignment. The supplier shall, at their own expense, be obliged to carry out any required maintenance and inspection work on our tools as well as any and all service and repair work in a timely manner. Any identification labels and markings referring to our property on our tools must not be changed and must be kept in good condition by the supplier at their expense. The supplier must notify us immediately of any incidents in writing.

11.3. Moulds, models, tools, films, drawings etc. that have been manufactured by the supplier in order to perform the purchase order shall become our property after payment has been made even if they remain in the supplier's possession. They must be identified by the supplier as our property.

11.4. Upon request, however, not later than with the final delivery, any figures, drawings, calculations, moulds, models, tools and other documents that belong to us must be handed over free from any pleas.

11.5. The supplier shall be obliged to treat as business secrets any and all commercial and technical information about us that are not commonly known and that the supplier has obtained during the business relationship. They may only be disclosed to third parties with our explicit written consent; such sub-suppliers must then be obliged to maintain secrecy accordingly. The duty to maintain secrecy shall also remain valid after the completion of the contract; it shall expire if and to the extent that the manufacturing know-how incorporated in the figures, drawings, calculations, tools and other documents provided has become common knowledge. Any unauthorised delivery to third parties or use for third parties shall entitle us to withdraw from any and all current contracts and to claim damages.

12. Exclusion of the reservation of title

12.1. If the supplier declares a simple reservation of title, we shall accept such reservation.

12.2. Extended or expanded reservations of title of the supplier, particularly multiple reservations, shall not apply.

13. Miscellaneous

13.1. The place of performance shall be our registered office in Iserlohn.

13.2. The place of jurisdiction for any disputes with merchants who have been entered as such into the commercial register and legal persons under public law shall be Iserlohn (section 38 *ZPO* [German Code of Civil Procedure]). This shall also apply to bills of exchange and cheque proceedings. We may also sue the supplier at their general place of jurisdiction.

13.3. German law shall apply. The United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG – "Vienna Sales Convention") shall be excluded.

13.4. Towards third parties, the supplier may only refer to our business relationship, especially for advertising purposes, with our written approval.

13.5. If individual provisions of these terms and conditions or of the delivery transaction are or become invalid in whole or in part, the validity of the other provisions or other parts of such provisions shall not be affected by this.