

**General Conditions of Purchase (hereinafter referred to as
“GCP”)
of
ProLicht Werbung GmbH (hereinafter referred to as the
“Principal”)**

I. General Part

§ 1 Scope, Form

(1) These General Conditions of Purchase (GCP) apply to all business relationships with the business partners and suppliers ("Contractors") of the Principal. The GCP only apply if the Contractor is an entrepreneur (§ 14 BGB), a legal entity under public law or a special fund under public law.

(2) The GCP apply in particular to contracts for the sale and/or delivery of movable items ("goods"), regardless of whether the Contractor manufactures the goods or purchases them from suppliers (§§ 433, 651 BGB). In addition, the GCP set out the general terms of contract for works/services (§§ 611, 631 BGB), which are provided by the Contractor for the Principal, as well as contracts for the transport of goods. Unless otherwise agreed, the GCP shall apply in the version valid at the time of the Principal's order, or at least in the version last issued to him, as a framework agreement for similar future contracts, without the client having to refer to them again in each individual instance.

(3) These GCP apply exclusively. Divergent, conflicting or supplementary general terms and conditions of the Contractor shall only become part of the contract if and to the extent that the Principal has expressly agreed to their validity in writing. This approval requirement applies in any case, for example, even if the Principal accepts services without reservation and in full knowledge of the general terms and conditions of the Contractor.

(4) Individual agreements with the Contractor (including ancillary agreements, amendments and revisions), made in individual cases, always take precedence over these GCP. Subject to the production of evidence to the contrary, the content of such agreements shall be governed by a written contract or written confirmation of the Principal.

(5) Legally binding statements and notifications of the Contractor regarding the contract (e.g. setting deadlines, reminders, withdrawals) shall be made in writing, i.e. in written or textual form (e.g. letters, emails or fax). Statutory form regulations and additional proof, in particular in case of doubt about the legitimacy of the declarant, remain unaffected.

(6) References made to the validity of statutory regulations are only made for clarification purposes. Even without such clarification, the statutory regulations apply unless they are directly amended or expressly excluded in these GCP.

§ 2 Contract Conclusion

(1) The order or the placing of order by the Principal shall be binding at the earliest upon its submission or confirmation in writing. For obvious errors (e.g. misspelling and miscalculation) and incompleteness of the order or placing of order, including the order or job documents, the Contractor must notify the Principal for the purpose of correction or completion prior to acceptance; otherwise the contract cannot be considered to have been concluded.

(2) The Contractor is hereby required to confirm an order or the placing of an order by the Principal within a period of 2 weeks, in writing or, in particular by sending the goods without reservation (acceptance). Late acceptance shall be treated as a new offer and requires acceptance by the Principal.

§ 3 Prices/Remuneration, Payment Conditions, Overpayment, Assignment, Compensation, Right of Retention

(1) The price or remuneration stated in the order or job confirmation is binding. For all net amounts, the statutory value added tax applicable at the time of invoice shall be added. Insofar as the value added tax is owed to the tax authorities by the Principal in accordance with § 13b UStG, the Contractor is not entitled to payment of value added tax. This must be noted in the invoice by a corresponding entry. In this case, the value added tax shall be paid by the Principal directly to the responsible tax authority.

(2) Unless otherwise agreed in individual cases, the price or remuneration includes all services and ancillary services of the Contractor (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance, customs duties, tolls, fees, taxes and other public charges).

(3) The agreed price or remuneration is payable within 30 calendar days from the date of complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice in accordance with legal requirements, in particular § 14 UStG. Entitlements to instalment payments become due within 4 weeks of receipt of the auditable statement. If the Principal makes payment within 14 calendar days, the Contractor shall grant the Principal a 2% discount on the net invoice amount. Payments made via bank transfer are considered to have been made in good time if the transfer order of the Principal is received by his bank before the end of the payment period; the Principal is not responsible for delays caused by the banks involved in the payment transaction.

(4) The order invoice must use the order number, as well as the article numbers received by the Principal, as stated on the order. Incidentally, the Contractor must settle his services in an auditable manner. He must present the invoices clearly, observing the order of the items and using the designations contained in the components of the contract. The quantity calculations, drawings and other supporting documents required to prove the nature and extent of services must be included. Revisions and additions to the contract must be specifically identified in the invoice. Insofar as the Contractor asserts claims for revised and/or additional services, appropriate documents must be attached for the purpose of price determination. In the case of final invoices, payments made in instalments should be entered, detailing the respective invoice amounts and any value-added tax paid thereon. The invoices are to be written in English and/or in German.

(5) The Principal owes no interest after the due date. The statutory regulations apply to default of payment.

(6) If, during audit of the invoice or other verification, the Principal finds that he has overpaid the Contractor, then the Contractor is hereby required to reimburse the excess amount to the Principal within 12 working days of receipt of a request for repayment. In the case of such

recoveries, the Contractor cannot rely on the omission of enrichment according to § 818 para. 3 BGB.

(7) Assignment of the Contractor's claims requires in each instance the written consent of the Principal. If the Contractor provides substantiated grounds for the assignment, the Principal may not refuse the required approval.

(8) The Contractor shall only be entitled to compensation for, retention of and objection to the unfulfilled contract if counterclaims have been established, recognized and remain undisputed in law. The right of the Contractor to compensation exists without restriction, as long as his compensation claim is linked to the main claim in a bilateral manner.

§ 4 Expiry

The reciprocal claims of the contracting parties expire according to statutory regulations, unless otherwise expressly stipulated in these GCP.

§ 5 Data Protection

Insofar as personal data are processed by the Contractor, within the scope of his contractual obligations, the Contractor is hereby required to obligate his employees in writing to keep the data confidential and secret from third parties. The Contractor undertakes to comply with the applicable data protection regulations, in particular those of the General Data Protection Regulation.

§ 6 Compliance

(1) The Contractor undertakes to comply with all relevant statutory regulations and international standards regarding ethical conduct. Special attention shall be paid to compliance with antitrust law and anti-corruption regulations. Offering benefits to the employees of the Principal is regarded as a violation of the contractual or pre-contractual obligations. Within the framework of his own organisation, the Contractor undertakes to respect the fundamental rights of his employees and to ensure their safety in the workplace. The Contractor will comply with the ban on child labour, as set out in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work.

(2) The Principal may withdraw from the contract or terminate it without notice if the Contractor fails to fulfil his obligations in accordance with section 1 above. Other legal or contractual rights of withdrawal and termination remain unaffected.

§ 7 Liability for Compensation for Damages Due to Default

(1) The Contractor's liability for damages, arising for whatever legal reason, in particular from impossibility, delay, inadequate or incorrect delivery, breach of contract, breach of obligations during contract negotiations and tort, is limited in accordance with this § 7 insofar as this leads to a default in individual cases.

(2) The Contractor is not liable in case of simple negligence on the part of his organisational units, legal representatives, employees or other vicarious agents, insofar as his actions do not constitute a violation of essential contractual obligations. The obligation to timely delivery and installation of the delivery item, which must be free of defects in both legal title and material that have more than just an insignificant effect on its functionality or serviceability, as well as advice, protection and custody obligations, which enable the Principal to use the object of the contract in accordance with the contract, or the protection of life and limb of the employees of the Principal or the protection of his property against significant damage, are all of particular significance to the contract.

(3) Insofar as the Contractor is liable for damages in accordance with § 7 para. 2, this liability is limited to damages which the Contractor foresaw upon conclusion of the contract as a possible consequence of a breach of contract or which he should have foreseen when applying due care. Indirect damages and consequential damages, which are the result of defects in the delivered item or service, can only be compensated for, insofar as such damages are typically to be expected when the delivery item is used as intended.

(4) In the case of liability for simple negligence, the Contractor's obligation to pay compensation for damage to property and the resulting further pecuniary loss is limited to EUR 10 million per claim (equivalent to the current coverage of his product liability or liability insurance), even if it results from a breach of essential contractual obligations.

(5) The above exclusions and limitations of liability apply to the same extent to the organisational units, legal representatives, employees and other vicarious agents of the Contractor.

(6) Insofar as the Contractor provides technical information or acts in an advisory capacity, and said information or advice does not fall under the contractually agreed scope of services owed by him, then this is provided free of charge and to the exclusion of any liability.

(7) The restrictions of this § 7 do not apply to the liability of the Contractor in case of intent, for guaranteed characteristics, in event of injury to life, limb or health or under the Product Liability Act (ProdHaftG).

(8) The Contractor is hereby required to indemnify the Principal from any claims for damages from third parties. Compensation and payments of any kind that ProLicht is required to make within the scope of the contract with the Principal and that are attributable to misconduct of the assembly partner or its subcontractors shall be passed on to them, in full.

§ 8 Accident Prevention Regulations, Environmental Regulations, REACH-VO, RoHS-RL, WEEE-RL

(1) The delivered goods and rendered services as well as the manufacturing processes of the delivered products must comply with the statutory regulations, in particular the Equipment Safety Act (GSG), the Chemicals Act (ChemG), the other relevant standards as well as the other recognized rules of technology. In addition, the order must comply with any applicable international association regulations. The same applies to environmental protection regulations.

(2) Required protection devices are to be supplied and included in the price.

(3) The regulations governing the transport of hazardous goods must be observed. If the order stipulates that additional transportation by sea or by air is required, the Contractor shall also comply with all regulations concerning these modes of transport with regard to the packaging and labelling.

(4) In the case substances or formula orders for which a material safety data sheet exists, the Contractor must automatically deliver it free of charge as described in the REACH Regulation (EC) No. 1907/2006. He shall also send a copy to the Principal.

(5) The Contractor must fulfil all requirements arising from the RoHS 2011/65/EU and WEEE 2012/19/EU directives and the resulting national implementation laws.

§ 9 Corporate and Social Responsibility

(1) The Contractor undertakes to comply with all human rights, to prevent child labour, to safeguard occupational safety and to act in an environmentally responsible manner.

(2) In addition, the Contractor undertakes to refrain from and to prohibit any form of corruption, whether direct or indirect.

(3) Upon request by the Principal, suitable documentary proof must be provided by the Contractor.

(4) The Contractor assures that all work covered by this framework contract will be carried out with the necessary care, qualification and caution. All work shall be performed in accordance with agreed specifications, is of high quality and appropriate for use. Said performance shall comply exclusively with the law and must not violate applicable regulations. All work permits must be provided by the Contractor and submitted on request.

II. Special Conditions for Contracts Governing the Sale and/or Delivery of Movable Items

§ 10 Delivery Times, Delayed Delivery and Fixed Penalties for Delays

(1) The delivery time specified in the order by the Principal is binding. If the delivery time is not specified in the order and has not been agreed otherwise, it shall be understood to be four weeks from the conclusion of the contract. The Contractor is hereby required to inform the Principal immediately in writing, if he cannot satisfy the agreed delivery times for whatever reason.

(2) If the Contractor does not provide his services or does not do so within the agreed delivery time or if he is in default, the rights of the Principal, in particular for withdrawal and compensation for damages, are determined in accordance with the statutory regulations. The regulations in para. 3 remain unaffected.

(3) If the Contractor cannot meet binding delivery deadlines for reasons for which he is not responsible (unavailability of the service), he shall inform the Principal immediately and, at the same time, notify him of the expected new delivery deadline. Occurrence of a delay in delivery is determined by statutory regulations. If the Contractor is in default, the Principal may, in addition to further statutory claims, demand a fixed compensation for damages due to delay amounting to 1% of the net price per completed calendar week, but not more than 5% of the net price of the delayed delivery. The Principal reserves the right to prove that greater damages have been incurred. The Contractor reserves the right to prove that no damage, or only a considerably lesser damage, has occurred.

(4) The Contractor is not liable for impossibility of delivery or for delivery delays, insofar as these were caused by force majeure or other events, which were unforeseeable upon conclusion of the contract (e.g. strikes, lockouts in compliance with law, riots, war or terrorist attack), and for which the Contractor is not responsible. If such events make the delivery or service considerably more difficult or impossible for the Contractor, and the hindrance isn't simply temporary in nature, the Contractor is entitled to withdraw from the contract. In the case of temporary hindrances, delivery or service periods shall be extended or the delivery or service dates shall be postponed by a period corresponding to the duration of the hindrance plus a reasonable lead time. If, as a result of the delay, the Principal cannot reasonably be expected to accept the delivery or service, he may withdraw from the contract by issuing an immediate written declaration to the Contractor. The costs incurred by a party due to an event of force majeure shall be borne by the party itself.

§ 11 Service, Delivery, Transfer of Risk, Delay in Acceptance

(1) The Contractor shall not be entitled to have the services owed by him performed by third parties (such as subcontractors) without the prior written consent of the Principal. The

Contractor bears the procurement risk for his services, unless otherwise agreed in individual cases (e.g. restriction to inventory).

(2) Delivery shall be performed within Germany (door-to-door) at the address specified in the order. If the destination address is not specified and nothing else has been agreed, delivery shall be performed at the place of business of the Principal in 31137 Hildesheim. The respective destination address is also the place of performance for the delivery and any subsequent performance (delivery debt).

(3) The Contractor is only entitled to partial delivery if

- The partial delivery is of use to the Principal in terms of the contractual purpose,
- Delivery of the rest of the ordered goods has been ensured
- Significant additional expense or extra costs are not incurred by the Principal (unless the Contractor declares his readiness to accept these costs).

(4) The delivery must be accompanied by a delivery note specifying the date (issue and shipping), contents of the delivery (item number and quantity) as well as the order code of the Principal (date and number). If the delivery note is missing or incomplete, the Principal is not responsible for the resulting delays in processing and payment. Separate from the delivery note, the Principal shall send a corresponding shipping notice containing the same content.

(5) The risk of accidental loss and accidental deterioration of the item passes to the Principal upon delivery to the place of performance. Incidentally, in the case of acceptance, the statutory regulations of employment contract law apply accordingly. The transfer or acceptance is the same if the Principal is in default of acceptance. Incidentally, the Incoterms valid at the time of the order shall apply to the transport with the proviso that, in all instances, the Contractor bears the transport risk.

(6) The statutory regulations apply to any default of acceptance on the part of the Principal. However, the Contractor must expressly offer the Principal his services even if a specific or determinable calendar date has been agreed for action or cooperation on the part of the Principal (e.g. provision of material). If the Principal is in default of acceptance, the Contractor may demand compensation for his additional expenses in accordance with the statutory regulations (§ 304 BGB). If the contract relates to an unrepresented item to be produced by the Contractor (one-off production), the Contractor shall have further rights only insofar as the Principal is obliged to co-operate and is responsible for the failure to cooperate.

§ 12 Retention of Title

(1) Processing, mixing or combination (further processing) of the items provided by the Contractor is performed for the Principal. The same applies to further processing of the delivered goods by the Principal, so that said party is viewed as the manufacturer and acquires ownership of the product upon further processing at the latest, in accordance with the statutory regulations.

(2) The transfer of the goods to the Principal has to be made unconditionally and irrespective of payment of the price. However, if the Principal accepts, in individual cases, an offer of the Contractor for transfer of ownership based on payment of the purchase price, the title retention of the Contractor expires, at the latest, upon payment of the purchase price for the delivered goods. Within the ordinary course of business, the Principal remains authorised to resell the goods, before the purchase price has been paid, under advance assignment of the resulting claim (alternatively, simple retention of title extended to resale also applies). In any

case, this excludes all other forms of title retention, in particular extended, retention of title and extended retention of title to further processing.

§ 13 Defective Delivery

(1) For the rights of the Principal in case of material and legal defects of the goods (including incorrect and insufficient delivery and improper installation, faulty assembly or operating instructions) and other breaches of duty by the Contractor, the statutory regulations apply, unless otherwise stated below.

(2) According to the statutory regulations, the Contractor is liable in particular for ensuring that the goods demonstrate the agreed quality at the time the risk is transferred to the Principal. In any case, product descriptions which are the subject matter of the respective contract or are included in the contract in the same way as these GCPs, in particular by designation or reference in the order of the ordering party, shall be deemed to be an agreement pertaining to condition. It is irrelevant whether the product description originates from the Principal, the Contractor or the manufacturer.

(3) Deviating from § 442 para. 1 p. 2 BGB, the Principal is entitled to claims for defects, without limitation, even if the Principal remained unaware of the defect upon conclusion of the contract, as a result of his gross negligence.

(4) The statutory regulations (§§ 377, 381 HGB) apply to the duty to conduct inspections and give notice of defects, subject to the following proviso: the Principal's obligation to conduct inspections is limited to superficial defects which become known during the incoming goods inspections of the Principal, under external inspection of the item, including of the delivery documents (e.g. transport damage, incorrect and insufficient delivery) or can be identified during the quality control by the Principal in the sampling procedure. Insofar as acceptance has been agreed, there is no longer a duty to conduct inspections. Moreover, it depends on the extent to which an inspection is feasible, taking into account the circumstances of the individual case in the ordinary course of business. The Principal's obligation to complain about defects discovered later remains unaffected. Without prejudice to the duty of inspection of the Principal, his complaint (notification of defects) shall in all instances be deemed prompt and timely if it is sent within five working days from discovery or, in the case of obvious defects, from delivery.

(5) Subsequent performance also includes the removal of defective goods and reinstallation, provided the goods were installed in or on another object in accordance with their design and intended use; the legal claims of the Principal concerning compensation for the associated expenses remain unaffected. The Contractor will bear the expenses associated with the inspection and supplementary performance even if it turns out that, in actual fact, there was no defect. The Principal's liability for damages remains unaffected in the case of an unjustified remediation of defects; in this respect, the Principal is liable only if he has recognised, or through gross negligence failed to recognise, that there was no defect.

(6) The following applies without prejudice to the statutory rights of the Principal, and the regulations in paragraph 5: if the Contractor fails to satisfy his obligation for subsequent performance, at the discretion of the Principal either through elimination of the defect (remediation) or by delivery of a defect-free item (replacement), within a reasonable period of time set by the Principal, the Principal may remedy the defect himself and demand either compensation from the Contractor for the associated expenses or a corresponding advance payment. If the Contractor's supplementary performance fails or is unreasonable for the Principal (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline is required; in such circumstances the Principal will inform the Contractor immediately, and beforehand if possible.

(7) Incidentally, the Principal is entitled to a reduction of the purchase price or to withdraw from the contract in event of material or legal defects according to the statutory regulations. In addition, the Principal is entitled to compensation for damages and reimbursement of expenses according to the statutory regulations.

§ 14 Recovery from the Supplier

(1) The Principal is entitled to his statutory recourse claims of the within a supply chain (recovery from a supplier in accordance with §§ 445 a, 445 b, 478 BGB) in addition to the claims for defects without being subject to restriction. The Principal is in particular entitled to demand exactly the type of supplementary performance (repair or replacement) from the Contractor, which he owes his Principal in individual cases. This does not affect the statutory right of choice of the Principal (§ 439 para. 1 BGB).

(2) Before the Principal acknowledges or fulfils a claim asserted by one of his customers (including reimbursement of expenses in accordance with §§ 445 a para. 1, 439 para. 2 and 3 BGB), he shall inform the Contractor and request a written statement with a brief description of the facts. If a substantiated statement is not made within a reasonable period of time, and if no mutually agreed solution is brought about, then the actual claim pertaining to the defects granted by the Principal is deemed to be owed to his customer. In this event, the burden of proving the contrary lies with the Contractor.

(3) The claims of the Principal pertaining to recovery from a supplier also apply if the defective goods were processed further by the customer or another contractor, e.g. by incorporation into another product.

§ 15 Producer's Liability

(1) If the Contractor is responsible for damage to a product, he must indemnify the Principal from the claims of third parties, as the cause originates from within his sphere of operations and organisation and he is liable within the scope of his company's relationship to the wider world.

(2) As part of his indemnity obligation, the Contractor must reimburse expenses pursuant to §§ 683, 670 BGB, which arise from or in connection with a third party claim including recalls performed by the Principal. As far as possible and insofar as reasonable, the Principal will inform the Contractor about the content and extent of recall measures and afford him the opportunity to comment thereon. Further statutory claims remain unaffected.

(3) The Contractor must take out and maintain product liability insurance with flat-rate coverage of at least EUR 10 million per instance of personal injury / property damage.

§ 16 Expiration of Damage Claims

(1) Deviating from § 438 para. 1 no. 3 BGB, the general limitation period for damage claims is three years from the transfer of risk. Insofar as acceptance has been agreed, the period of limitation begins upon acceptance. Accordingly, the three-year limitation period shall also apply to claims arising from legal defects, whereby the statutory limitation period for claims of third parties in rem (§ 438 para. 1 no. 1 BGB) remains unaffected; in addition, claims arising from legal defects shall under no circumstances expire as long as the third party is still able to assert the right against the Principal, in particular due to the lack of expiration.

(2) The limitation periods of the purchase right including the above extension apply, to the extent permitted by law, for all contractual claims for defects. Insofar as the Principal is entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (§§ 195, 199 BGB) shall apply, unless the application of the limitation periods of the purchase right leads to a longer limitation period in individual cases.

§ 17 Property Rights

(1) In accordance with this § 17, the Contractor shall guarantee that the delivery item is free from industrial property rights or copyrights held by third parties. Each contracting party will notify the other contracting party in writing without delay if claims against the contracting party are asserted against him. In addition, the Contractor grants the Principal a simple, irrevocable, worldwide license to his own property rights or other rights to the possession, distribution and use of the delivered goods and resulting products.

(2) In the event that the delivery item infringes a commercial property right or copyright of a third party, the Contractor shall modify or replace the object of delivery at his discretion and expense such that no third-party rights are violated, however, the delivery item must continue to perform the contractually agreed functions, or grant the Principal the right of use by conclusion of a license agreement. If the Contractor fails to do so within a reasonable period, the Principal is entitled to withdraw from the contract or to reduce the purchase price by a reasonable amount. Any claims for damages of the Principal are subject to the restrictions of § 7 of these GCP.

(3) In the case of infringements by products of other manufacturers supplied by the Contractor, the Contractor will assert his claims against the manufacturers and upstream suppliers on behalf of the Principal or assign them to the Principal. Claims against the Contractor in these cases arise, in accordance with this § 17, only if the judicial enforcement of the aforementioned claims against the manufacturers and suppliers was unsuccessful or are hopeless, for example, due to insolvency.

(4) Any further statutory claims of the Principal arising from legal defects of the products delivered to us remain unaffected.

III. Special Conditions for Contracts About Work Performance / Services

§ 18 Paid Hourly Work

(1) Paid hourly work is only remunerated if there is a separate order from the Principal or his representative for paid hourly work.

(2) Site managers, architects, project managers, local site managers or other persons are not authorised by the Principal to agree upon or arrange paid hourly work.

(3) The Contractor has to submit hourly pay slips for paid hourly work every workday in duplicate, unless otherwise agreed. These must include the place of performance, the date, names, the professional, wage or salary group of the employees, the hours worked and the nature of the service in legible form.

(4) Only the authorised representative of the Principal is authorised to sign hourly pay slips. The signing of an hourly pay slip only confirms the nature and extent of the services rendered.

(5) Hourly pay slips are to be submitted as soon as the hourly wages have been completed, but no later than five days after completion of the work. Calculation of paid hourly work must be broken down according to the hourly pay slips.

§ 19 Contractual Penalties

- (1) If the Contractor defaults on the agreed completion date, he shall pay a contractual penalty of 0.2% of the entitled net final invoice amount for each working day of culpable default on the deadline. As long as this is not established, the basis of assessment for the contractual penalty is the remuneration for the contractually agreed services confirmed by the Principal including the confirmed remuneration for changed and/or additional services.
- (2) The contractual penalty also applies in the case of an agreement on new contract deadlines. A new agreement of the penalty does not apply in this case.
- (3) The Principal may reserve the right to claim the contractual penalty until final payment is due.
- (4) The contractual penalty for exceeding the final completion date is limited in total to a maximum of 5% of the net order value.
- (5) The assertion of further claims for damages, in addition to the contractual penalty, remains unaffected. A forfeited contractual penalty is credited against such claims for damages.

§ 20 Hindrance and Interruption

- (1) If the Contractor is hindered in the proper execution of his services, he must inform the Principal immediately in writing. In this case, the Contractor must provide information about all of the facts which provide the Principal with a sufficient explanation as to the reasons and duration of the hindrance. In particular, he must provide information as to whether and when his work cannot be performed or cannot be performed as planned.
- (2) The usual weather conditions that the Contractor could reasonably expect, when the order is placed, are not classed as a hindrance.
- (3) Performance and contractual deadlines will be extended accordingly if timely written notification is given, insofar as the hindrance is not the responsibility of the Contractor. The Contractor shall resume work after reduction or removal of the hindrance and inform the Principal of this. Incidentally, the Contractor must undertake everything reasonable to ensure continuance of the work.

§ 21 Revised Performance

- (1) Deviation from planning, and therefore contractual performance, is only permitted with the prior written consent of the Principal. Performance not under contract, which constitutes a revision of the agreed performance or an additional performance (desired arrangement), or which is necessary for the attainment of the agreed performance (necessary arrangement), must be performed by the Contractor upon instruction of the Principal. For revised or additional performance, this only applies insofar as execution of the contract remains reasonable for the Contractor. If the Contractor asserts in-house procedures for alleged unreasonableness of such an order, he shall bear the burden of proof.
- (2) The amount of the compensation claim for the Contractor's increased or reduced expenses resulting from an order pursuant to the above subsection (1) shall be determined on the basis of the actual costs, plus reasonable surcharges for general business expenses, risk and profit. Agreed discounts are to be taken into account. Insofar as the performance obligations of the Contractor also include the planning of the performance affected by the revision, he is not entitled to any compensation for increased expenditure in the event of a necessary order. Reduction of the agreed remuneration, which may have to be agreed due to the necessary arrangement, remains unaffected.

(3) The Contractor will submit a written addendum offer immediately, and in all instances before commencing performance. In this case, it is assumed that the remuneration set on the basis of the order calculation corresponds to the remuneration in accordance with paragraph 2 above. Together with this supplementary offer, the Contractor must also indicate whether and, if so, to what extent the contractually agreed dates are postponed by the performance of the amended or additional service. If the Principal is responsible for planning the service affected by the change, the Contractor may demand that the Principal provide the planning required for preparation of the supplementary offer and make it available to the Contractor if this should be necessary for preparation of the supplementary offer. Such a request must be made immediately.

(4) The Principal is entitled to subsequently reduce the scope of services by the withdrawal of partial services. The Contractor's remuneration for the cancelled part of the service is determined according to § 648 BGB. The Contractor is obliged to calculate the reduction in remuneration and to submit a verifiable proposal to the Principal on request, even before his withdrawal decision.

(5) The Contractor is prohibited from directly accepting orders from the main client, which are related to rollout/rebranding and concern the business of the Principal. This applies to additional work on the assembly site as well as any additional products related to the project. In cases where work is carried out outside of the scope commissioned by the Principal, the Contractor must inform the Principal and obtain approval from the Principal before commencing performance. By agreement, the Contractor makes an offer to the Principal, and at no time to the main client.

(6) Any additional work which has not been duly ordered by the Principal, but is nevertheless performed, cannot be invoiced to the Principal by the Contractor.

(7) In the event that additional products shall be produced or services be rendered that are not currently part of the contract or an individual order, and which are not produced by the Principal or one of his subsidiaries, the Contractor may obtain offers from local producers, in consultation with the Principal. The Principal alone decides on such offers and, if necessary, will forward them to the main Principal for inclusion in the scope of the contract.

(8) Additional costs incurred by the Contractor in carrying out his work shall be reported to the Principal regardless of their cause and require prior written confirmation.

§ 22 Monitoring of Work

(1) The Principal may have the work of the Contractor sampled and verified, at his own expense and discretion. These "supervisors" are proven employees of the Principal and have the authority to instruct the Contractor and his subcontractors. The Contractor will inform his employees and any subcontractors accordingly regarding the supervisors.

(2) Supervisor instructions are to be followed insofar as they remain in accordance with laws and regulations.

§ 22 Termination

(1) In addition to the legal reasons for termination, the Principal is entitled to terminate the contract for good cause and with immediate effect, in particular if

a) The Contractor discontinues his services and applies for bankruptcy or similar legal proceedings, or initiates such a procedure, or declines its opening due to lack of assets;

- b) The Contractor defaults on the performance of his services and continuation of the contract becomes unreasonable for the Principal;
- c) Significant faults become evident during performance of the Contractor's services and these are not remedied by the Contractor within a reasonable period set by the Principal;
- d) The Contractor, even after expiry of a reasonable period of time, employs subcontractors without the consent of the Principal (§ 27 para. 4 of this contract);
- e) The Contractor offers, promises or guarantees advantages to individuals who, on behalf of the Contractor, are involved in the preparation, conclusion or performance of the contract or who are associated closely with him in some way. Such acts of the Contractor shall be deemed equivalent to acts of persons authorised, commissioned or engaged by him. It is irrelevant whether such benefits were offered or promised directly to the individuals or to a third party on their behalf;
- (f) The Contractor violates provisions of the laws prohibiting illegal employment (SchwarzArbG) and does not refrain from such violations despite a written warning and grace period;

(2) In the case of termination for good cause, those services rendered shall be invoiced by the Contractor. Claims for damages or contractual penalties of the Principal remain unaffected. After termination, the Principal is entitled to have the part of the service not yet completed performed at the Contractor's expense by a third party, but his claims for compensation for any additional damage remain unaffected. He is also entitled to waive further performance and to claim damages for non-performance, if the performance is no longer of interest to him for reasons that led to the withdrawal of the contract. The Principal is further entitled to use equipment, scaffolding or other existing equipment and any building materials as well as components of the Contractor against corresponding remuneration.

(3) Terminations must be declared in writing.

§ 23 Additional Invoicing Provisions (§ 3)

(1) The Contractor must present the Principal a valid exemption certificate from the competent tax office in accordance with § 48 b EStG upon conclusion of the contract and inform the Principal without delay, if the exemption certificate submitted by him is withdrawn or revoked. Without submitting a valid exemption certificate, the Principal will withhold 15% of the respective gross amount from the remuneration claims of the Contractor and pay them to the competent tax office thereby releasing the Contractor.

(2) The Principal is further entitled to withhold 5% of the final invoice up to the presentation of the warranty bond agreed in accordance with this contract (§ 24 para. 2). He must notify the Contractor of the amount withheld in each instance and deposit it within 18 working days of this notification in a blocked account with a financial institution to be selected at his discretion. At the same time, he will request that this financial institution inform the Contractor of said payment of the bond amount. If the Principal does not pay the withheld amount on time, the Contractor may set a reasonable grace period. If the Principal also allows this to elapse, the Contractor may demand immediate payment of the withheld amount. The right of the Principal, according to the above regulation, to deduct additional bills from the Contractor remains unaffected.

§ 24 Contractual Fulfilment and Performance Bond

(1) To ensure the orderly and punctual performance of contractual services, the Contractor shall surrender a performance bond totalling 10% of the provisional net order amount to the

Principal no later than 12 working days after conclusion of the contract, as far as this agreed upon. Insofar as quantity changes or additional services increase the provisional net order amount by at least 10%, the Principal may demand a corresponding increase in the bond amount. The bond must comply with paragraph 3 below. The Principal must return an unused performance bond after both acceptance and provision of collateral for claims for defects, unless there are still outstanding claims which were secured by the performance bond. In this case, the Principal is entitled to withhold a corresponding part of the bond.

(2) In order to safeguard the claims for defects due to the Principal, the Contractor shall surrender collateral to the Principal for claims for defects in the amount of 5% of the net final invoice amount, which in all other respects complies with the requirements of paragraph 3 below. The Principal must return the unused collateral for claims for defects after expiry of the agreed limitation period for claims for defects. Insofar as his asserted claims remain unfulfilled at this time, he may withhold a corresponding part of the collateral.

(3) The guarantor must be a credit institution or credit insurer approved in the European Community. The bond declaration must be issued indefinitely, in writing and waive the defence of failure to pursue remedies (German: *Einrede der Vorausklage*). The right of deposit must be excluded. Furthermore, the guarantor shall declare that disputes arising out of such a bond are exclusively subject to the law of the Federal Republic of Germany and that the place of jurisdiction is the location of the construction project or the seat of the Principal, to be decided at the discretion of the Principal. He shall also declare that the bond claim cannot expire before the secured principal claim.

§ 25 Acceptance

(1) Acceptance is formal. The result of acceptance must be recorded in writing in a common acceptance protocol. The Principal is entitled to refuse acceptance if the services provided by the Contractor demonstrate significant defects. Failure to submit all the revision plans, inventory plans, documentation and operating instructions required for the permanent use and operation of the plant, upon acceptance at the latest, also constitutes a material defect that justifies refusal of acceptance.

(2) Two weeks prior to acceptance, the Contractor shall issue a written invitation for a joint inspection of the property. A written, tabulated protocol that legal significance or effect on acceptance shall be drawn up by the Contractor within one day. The protocol serves only to list the deficiencies and remaining work, which shall be remedied by the Contractor, if possible, by the date of acceptance. The Contractor shall provide the Principal with the complete inventory documents for acceptance or technical handover.

(3) If the Principal does not formally accept the services of the Contractor, despite being essentially free from defects, and despite receiving a corresponding request, the acceptance shall be concluded through the intended use of the plant or by any other behaviour of the Principal, from which the services can be acknowledged as being essentially compliant with contract.

(4) The contractor must apply for and collect all necessary official inspections and acceptance certificates for his services in good time and assume the costs incurred.

§ 26 Defective Performance

(1) The performance is free from defects if it has been rendered according to the agreed quality pursuant to the contract. Insofar as the quality is not agreed upon, the performance is free of defects if it is suitable for the requirements stipulated in the contract, otherwise for normal use and in accordance with the recognised rules of technology. Furthermore, third

parties may not claim any rights against the Principal in relation to the performance, unless otherwise agreed.

(2) If the performance of the Contractor during or after acceptance is inadequate, the Principal may choose

- a) To demand remediation of the defect by the Contractor or to rebuild the plant;
- b) To demand compensation of the necessary expenses by the Contractor for remediation of the defect, if the Contractor does not eliminate this defect within a reasonable period;
- c) To demand an advance from the Contractor for the expenses required to remedy the defect if the Contractor fails to remedy the defect within a reasonable time;
- d) To withdraw from the contract, to demand compensation for damages or a reduction in remuneration, if the Contractor does not remedy the defect within a reasonable period of time.

(3) it is not necessary to set a deadline for remediation of the defect if the Contractor categorically refuses to do so, or a deadline is unreasonable for the Principal or remediation of the defect is impossible or unreasonable for the Principal.

(4) Warranty rights lapse after 2 years from acceptance. In the case of a building or plant, the success of which depends on the provision of planning or monitoring services, the limitation period for claims for defects is 5 years. For all sealing work, including all related ancillary services, the limitation period for claims for defects is 10 years.

(5) The further statutory warranty rights of the Principal remain unaffected.

(6) Insofar as essential defects or significant performance rendered contrary to the contract have been demonstrated, the Contractor shall remedy them at his own cost. If the Contractor is responsible for the defect or failure in compliance, he shall compensate the Principal for the resulting damage. If a material defect leads to disruption of the construction process or if this cannot be remedied after acceptance, or only with difficulty, then the Principal may set a reasonable deadline for remediation of defects even before acceptance of the construction project. If the Contractor fails to comply with this request within the set period, the Principal is entitled to remedy the defect himself at the Contractor's expense, whereby no termination of the contract is required. Further claims of the Principal remain unaffected.

§ 27 Work Protection, Work Safety, Employees and Subcontractors of the Contractor

(1) The Contractor undertakes to use trained and certified personnel exclusively. This applies to his own staff as well as those of subcontractors alike. Both his own certification and training certificates, as well as those of the subcontractors, are to be kept and, if requested, presented to the Principal prior to commencement of the service.

(2) The Contractor must meet the appropriate HSSE and SCC qualifications and present the certificates. The list is not exhaustive, but the Contractor shall assure that he meets all the necessary formal requirements to undertake the work pursuant to this contract. At the same time, the Contractor shall assure that he is informed about all necessary health and safety regulations according to national and international law and complies with them fully.

(3) The Contractor is obliged not to employ temporary workers within the meaning of the Temporary Employment Act (AÜG) and/or employees who are not in possession of a valid work permit and/or a valid social security card. The Contractor authorises the Principal or one of his authorised representatives to carry out appropriate checks.

(4) Transferring services to subcontractors requires the written consent of the Principal. For each transfer, the contracted companies must be named. In the case of a transfer to a foreign subcontractor, the Contractor must also inform the Principal of the number and duration of employment of the foreign workers used.

(5) The Contractor is obliged to ensure that even the subcontractors commissioned by him do not employ temporary workers within the meaning of AÜG and/or employees from third countries who do not hold a valid work permit and/or a valid social security card. If the Contractor violates this obligation, the Principal reserves the following rights pursuant to paragraph 7.

(6) The Contractor also undertakes vis-à-vis the Principal to fulfil his obligation to pay the minimum wage and to deduct holiday fund contributions in accordance with the Posted Workers Act (AEntG) and those tariff provisions applicable subsequently to the Contractor's business.

(7) In the event that the Contractor violates one or more of his obligations set out in paragraphs 1 to 3 above, the Principal is entitled, subject to any other rights, to grant him a reasonable grace period to fulfil said obligations. If this reasonable period elapses fruitlessly, the Principal reserves the right to terminate the contract without notice and to demand damages in lieu of performance.

(8) Should the Contractor commission subcontractors, he thereby releases the Principal from all claims asserted against the Principal for breaches on the part of said subcontractors with regard to the provisions of AEntG. The Contractor assumes, within the internal relationship with the Principal, those obligations which are undertaken by both Principal and Contractor as co-investors in accordance with § 14 AEntG, alone and in full. The same applies to the commissioning of lenders under AÜG.

IV. Special Provisions for Contracts Concerning Goods Transportation

§ 28 General Terminology

(1) The terms good, goods and cargo are used synonymously. They designate things and units of things which have to be handed over in their own name by the Principal to the Contractor for fulfilment of the performance defined in § 29.

(2) Handover is the first legitimate possession of goods by the Contractor, while delivery is understood as the voluntary transfer of possession of a good to a legitimate recipient.

(3) Transport route is the route of carriage of a good from the place of handover to the place of delivery.

(4) Individual orders, transport orders or (individual) orders are all contractual obligations that are intended to facilitate the specific rendering of performance in the form of the carriage of goods.

§ 29 Object of the Contract

The Contractor undertakes to transport the goods designated by the Principal in accordance with this contract, specified by the respective transport orders and the relevant transport documents (in particular loading certificate, consignment note) and to deliver them to the receiving location specified in the transport order or specific order-related instructions.

§ 30 Loading and Unloading, Shipping, Transportation, Delivery

(1) Deviating from § 412 HGB, the Contractor shall perform loading and unloading of the goods and undertakes to ship them safely, as well as to ensure the goods remain sufficiently secure. What precisely is understood by the term sufficiently secure is determined by the nature and scope of the individual contract. The Contractor must ensure compliance with the labour and safety regulations. § 31 remains unaffected.

(2) Prior to transport, the road safety and completeness of the vehicle's equipment must be checked by the Contractor. The prescribed or agreed transport equipment must be carried until transportation is complete.

(3) The loading and unloading schedules specified in the transport order are legally binding. In the event of early arrival or arrival outside of the working hours of the recipient, unloading may only be performed with the recipient's consent. Additional costs incurred by the recipient will be passed on to the Contractor.

(4) The Contractor shall submit all proof of delivery to the Principal after transportation is complete.

§ 31 Preparation of Crewed HGVs, Use of Subcontractors

(1) In order to fulfil his obligations pursuant to this contract and the respective transport order, the Contractor shall provide crewed heavy goods vehicles (HGVs) in sufficient numbers and with sufficient loading capacity.

(2) The Contractor must ensure that he can be reached at any time during transport, e.g. via mobile telephone.

(3) The contractor must use reliable, technically proficient driving personnel (for dangerous goods with appropriate training certificates) that hold a valid driving license and possess sufficient driving experience.

(4) The Contractor undertakes to ensure the vehicle units referred to in paragraph 1 above available, punctually, on the dates specified in the transport order.

(5) The Contractor guarantees that the vehicles used by him are suitable, and properly equipped, to deliver the goods planned for in the goods transportation. The condition of the vehicles, containers and ancillary equipment provided by the Contractor must free from technical defects and comply with the statutory and official regulations and, if applicable, with the special requirement profiles for the goods being loaded, as specified in the transport order. In particular, the Contractor guarantees that the vehicles used by him are watertight. In all other matters, § 32 of the contract applies.

(6) In the event of a breakdown of the vehicle, either before starting or while underway, the Contractor must provide a suitable substitute vehicle without undue delay, irrespective of whether the Contractor is responsible for the failure, after prior consultation with the Principal. If the Contractor is unable to do so, the Principal shall provide a replacement vehicle after expiry of a reasonable grace period previously set for the Contractor, unless a deadline is unnecessary according to the statutory regulations. In this case, the Principal is entitled to charge the Contractor for the costs incurred through the provision of a replacement vehicle and to offset said costs with the respective transport remuneration owed to the Contractor, insofar as the vehicle failure is attributable to the Contractor.

(7) The Contractor may use third parties to fulfil his obligations pursuant to this contract and the relevant transport orders. He is not obliged to pay personally. If the Contractor uses a third party, such as a subcontractor, he must ensure that the provisions of this contract are

adhered to by the third party by means of appropriate contractual provisions, in particular the provisions of § 32.

§ 32 Legal Compliance

(1) The Contractor shall ensure that his company, the vehicles used by him and the driving personnel employed by him fulfil all legal requirements necessary for performance of the transport orders issued by the Principal and this framework agreement. In particular, the Contractor must comply with driving and rest times and familiarise himself with the content of accident safety sheets and to keep them at the prescribed locations within the vehicle.

(2) In particular, the Contractor shall ensure that he himself, his drivers and any subcontractors he may employ, if necessary for the specific transport order

a) Possess the necessary permission and authorisation to perform transportation according to § 3 and § 6 GüKG (license, Community license, third country permit and/or CEMT permit) and that the documents, required by law, are carried during the journey;

b) Are provided with a report booklet while driving in accordance with § 5 of the CEMT Directive;

c) Only employ foreign drivers from third countries (non-EU/EEA states), or subcontractors from an EU/EEA state, only work using the mandatory driving licenses as well as the required work permit, and ensure that while driving the driver complies with the prescribed documents (work permit or negative test) in original form and, if necessary, with an officially certified translation in German.

d) Only employ drivers who hold a valid driving license and a valid passport or identity card, which are carried by the driver;

e) Possess the consignment notes and loading documents upon departure and keep them during the journey;

f) The documents to be carried in accordance with (a) to (e) are presented in original form at the request of the Principal or his contractual partners;

g) Only use those vehicles which can demonstrate a valid registration in the Contractor's home country.

§ 33 Instructions and Notification

(1) The Contractor undertakes to comply with the order-related instructions of the Principal with regard to the transport of the goods required according to the specifications of the respective transport order. In particular, the Contractor will follow the notifications and instructions of the Principal regarding the loading and unloading schedule.

(2) The Contractor undertakes to inform the Principal without undue delay of all circumstances essential for the fulfilment of the transport order, in particular about possible hinderance to carriage and delivery, as well as hinderances to transport, mishaps or accidents or other in-transit delays. In the event of such a hinderance, the Contractor is obliged, insofar as is actually possible, to inform the Principal in advance and, if necessary, to obtain his instructions. The information must include the reason for the in-transit delay as well as the actions taken by the Contractor and the expected new delivery date.

(3) In the event of an accident or damage, the Contractor shall report identifiable transport damage and loss of goods to the Principal. The following information (insofar as it is actually relevant) must be sent to the Principal in the form of a written protocol within a reasonable period of time:

- Official registration number and model of vehicles involved
- Location, time and course of events of the accident or instance of damage
- Name, address of the injured/dead
- Scope of product leakage
- Shipping data
- Measures implemented by the Contractor
- Call back options

(4) If transport damage is incurred by the load, the Contractor is obliged to inform the Principal immediately and to obtain his instructions.

§ 34 Transport and Accompanying Documents

(1) Transport and accompanying documents, in particular CMR consignment note, commercial invoices, packing lists and customs documents or their content may not be made available to third parties or provided to third parties except in the case of official or other statutory inspections.

(2) Unless otherwise instructed by the Principal, the transported goods may only be handed over against a legally valid receipt, i.e. the Contractor must ensure that the receipt of the goods to be transported is acknowledged with the company stamp, signature and date as well as stating the unloading time on the consignment note.

§ 35 Care and Preservation of Interests

(1) The Contractor undertakes to exercise the duties assigned to him by this contract, as well as by the respective transport order or law, with the utmost care insofar that this is both possible and reasonable.

(2) Both contracting parties undertake to protect the interests of the other contracting party and to do nothing which could jeopardize the reputation, market position or creditworthiness of said contracting party.

§ 36 Liability of the Contractor

(1) The liability of the Contractor in international traffic shall be governed by the provisions of the Convention on the Contract of International Carriage of Goods (CMR).

(2) In national road/freight traffic, the Contractor is liable in accordance with the provisions of the German Commercial Code.

(3) In all other matters, § 7 applies accordingly.

V. Final provisions for All Types of Contract

§ 37 Applicable Law, Place of Jurisdiction and Fulfilment

(1) For this GCP and the contractual relationship between the Principal and the Contractor, the laws of the Federal Republic of Germany apply to the exclusion of international uniform law, in particular the UN Sales Convention.

(2) If the Contractor is a businessman as defined under the Commercial Code, legal entity under public law or a special fund under public law, the exclusive place of jurisdiction for all

disputes arising from the contractual relationship is the place of business of the Principal in 31137 Hildesheim. The same applies if the Contractor is an entrepreneur as defined under § 14 BGB. However, the Principal is in all cases also entitled to file claims at the place of fulfilment of the delivery obligation in accordance with these GCP or a superordinate individual agreement or at the general place of jurisdiction of the Contractor. Laws that take priority over this contract, especially exclusive jurisdictions, remain unaffected.

(3) The place of fulfilment for all obligations arising from the contractual relationship is 31137 Hildesheim, unless otherwise specified. If the Contractor also commits to installation, then the place of fulfilment is the place where the installation is to be performed. Place of fulfilment for work is the place of performance.

§ 38 Severability Clause

Should any provision of these General Conditions of Purchase be or become invalid, void or unenforceable, this shall not affect the validity or enforceability of all other provisions of these General Conditions of Purchase or other agreements. In the case of an ineffective provision, the Principal and the Contractor are obliged to negotiate an effective and reasonable substitute provision which comes as close as possible to the economic purpose pursued by them within the ineffective provision.

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