

GENERAL TERMS OF PROCUREMENT



STAND: 03.06.2020

The following are our General Terms of Procurement, which apply exclusively to our orders. Acceptance of our order shall be deemed to constitute Seller's acceptance of our Terms of Procurement and renders invalid for the present order any general business terms and conditions of the Seller referred to in his offer or order confirmation, even if not expressly contradicted by us. The Seller's terms of sale and delivery shall therefore be deemed as binding on us only if and in as far as recognised by us in writing and shall apply only to the respective individual business transaction.

1) APPLICABLE CONDITIONS

Legal relations between the Supplier and the Buyer shall be governed exclusively by the following Terms of Procurement. Any other conditions are hereby expressly rejected. These Terms of Procurement apply to all business transactions with the Supplier.

2) ORDERING

Only orders submitted in writing will be deemed binding on us. Agreements made verbally or via telephone are therefore invalid unless confirmed in writing by us. We reserve the right to request modifications in the design and workmanship of the delivery item within the bounds of what can be considered reasonably acceptable for the Supplier. Amicable and mutually acceptable agreement must be reached with respect to the effects of such modifications, in particular as regards increases or reductions in costs and delivery dates. Spare parts: The Supplier undertakes to manufacture and provide spare parts for systems and aggregates supplied by him during a period of at least 15 years after discontinuation of the series.

3) ORDER CONFIRMATION

Unless otherwise agreed in writing, the Supplier shall confirm acceptance of our order by signing and returning to us a copy of our order or his order confirmation. In the event of failure to comply with this condition within 10 working days from date of order, our order shall be deemed to have been accepted in full. Any changes made by the Supplier in the course of order confirmation shall only be deemed valid if approved in writing by us; this applies in particular where no price is quoted in the order. These conditions shall also apply, mutatis mutandis, to orders for services. Deadlines and quantities quoted in the order are binding. Consignee's employees not holding power of representation for the Consignee's company under commercial law are not authorised to enter into any binding commitment or agreement which deviates from existing agreements or these Terms of Procurement. Any such agreements shall not be deemed as binding on the Client. Order confirmation must be forwarded in written form within 3 working days from date of order.

4) CANCELLATION

The Buyer reserves the right to withdraw from the contract or the order at any time against reimbursement of the costs incurred by the date of withdrawal and duly proven. This applies solely to products and services manufactured or created exclusively for the Buyer and which can only be used by him. (No reimbursement will be effected for costs for standard products and services which can also be sold, distributed or rendered to others.)

5) PRICES

The prices quoted in our order are binding. The General Terms of Procurement shall apply where prices, terms of payment and delivery and delivery dates are not specified in the order. The order shall not be deemed valid unless the subsequently quoted prices are accepted by us in writing within 10 days. Unless the order is placed on the basis of a written agreement defining other conditions, prices shall be quoted free domicile specified place of destination (DDP place of destination as per Incoterms 2020 in the currently valid version), including packaging and transport insurance. Domestic prices are net prices not including Value Added Tax. Unless otherwise specified, no remuneration will be effected for the drafting of offers, quotations, plans or documentation.

6) PACKAGING

Unless otherwise agreed in writing, all packaging shall be deemed to be included in the price. Unless subject to special provisions, all goods will be packed in standard packaging, correctly, appropriately and in conformity with the method of transport (in compliance with applicable legal requirements) and in a manner suitable to withstand all anticipated conditions during transport as groupage freight and general cargo. Loading material and packaging become our property unless otherwise agreed. Return shipments shall be made at Supplier's cost and risk. Any damage to the goods during transport which results from improper packaging will be borne by the Supplier. All packaging must be marked

with our order number and the respective article numbers. Austrian suppliers must quote the ARA licence number on the invoice and the delivery note.

7) DELIVERY DATES & DELIVERY

The specified delivery period, calculated from date of order, must be strictly adhered to. Earlier delivery is only possible with our prior approval. If earlier delivery is effected without our prior consent, we reserve the right to offset any resulting costs (e.g. storage costs) against the final invoice amount. In the case of earlier delivery, payment deadlines shall be calculated from the delivery date originally agreed upon. Should the Supplier fail to effect delivery in full by the specified deadline, we reserve the right to enforce our legal rights in such cases or to claim a contractual penalty independent of fault and amounting to 0.5% of the total value of the order for each day of delay, but not exceeding 10% of the total value of the order. We expressly reserve the right to claim for damages, in particular to assert claims for damage caused by delay (loss of profit, penalty claims, losses due to interruption of business and other costs incurred). Furthermore, in the case of failure to meet the agreed delivery deadline for the order or to deliver in full, we shall be entitled to withdraw from the contract, in its entirety or in part, without granting a period of grace and without prejudice to our right to claim for damages. The delivery of excess quantities and short delivery require our written approval. Should we agree to accept the goods despite failure to adhere to the delivery deadline, the Supplier shall bear all costs for special measures which become necessary in order to prevent further delay (e.g. air freight, express freight charges etc.). We reserve the right to make changes in the quantities and deadlines for orders within a period ending 5 working days before the scheduled delivery date.

We must be informed immediately of any foreseeable delay in delivery or any other impediment to execution of our order, stating the cause. Such notification shall only release the Supplier from his liability for damages in as far as it is possible for us to avert or minimise losses caused by the delay. Additional expenses incurred by us in order to avert or minimise losses resulting from the delay in delivery shall be borne by the Supplier.

8) DISPATCH & TRANSFER OF RISK

Unless otherwise specified, shipment and delivery options must be agreed upon in detail with us. Transfer of ownership shall be effected simultaneously with the transfer of risk as specified by INCOTERMS 2020 on due acceptance of the goods at the place of destination quoted in the order. This also applies if freight-free delivery was not agreed separately. The forwarding advice (delivery notes, notifications of delivery, packing slips, package lists) must be forwarded to us immediately on despatch of each individual consignment. The bill of lading, a packing slip, the delivery note with our order number and the article number and marked "For the consignee" must be enclosed with the consignment itself. Transport insurance costs will only be borne by us where this is expressly agreed upon in writing.

At least two invoices (as customs documents) as well as certificates of origin must be enclosed with cross-border shipments. Any consignments which cannot be accepted due to non-compliance with

our shipping, customs clearance or documentation requirements will be placed in storage at Supplier's cost and risk until such time as proof has been furnished that the appropriate documents have been submitted, thus allowing due execution of the transaction. The Supplier bears all risks, damages and costs incurred through failure to comply with our shipping, customs clearance or documentation requirements, and the due date for payment of the invoice shall be postponed accordingly and calculated from the date of correct and accurate delivery.

9) DOCUMENTATION REQUIREMENTS

All delivery documents and invoices must list clearly and legibly the date of our order, our order number, your supplier number with our company, as well as our article, order, drawing and part number and the quantity, unit and customs tariff number for each item of the consignment. Prices may only be stated on the invoices when accompanied by the above-mentioned information. A supplier resident within the EU must provide the Buyer with documentation of the country of origin of the goods in the form of a long-term supplier's declaration, a supplier not resident within the EU in the form of a preference certificate or a certificate of origin, and these documents must be listed on the invoice. The Supplier is under obligation to inform us immediately and of his own accord of any change in the origin of the goods. The Supplier shall indemnify the Buyer against all costs incurred as a result of inaccurate, incomplete or erroneous information supplied concerning the origin of goods or in the relevant documentation.

The Supplier is under obligation to grant a representative of the Client access to the Suppliers' business premises and production facilities.

The Supplier shall ensure that all his subcontractors are bound by contract to comply with the conditions listed in Point 9) of this document.

10) WARRANTY

Unless otherwise specified in our order, the goods supplied must meet customary commercial standards as regards marketable quality, form etc. If this is not the case, they shall be deemed to be in violation of the terms of the contract. Accordingly, the Supplier guarantees that the goods supplied by him are free from defects, conform to the agreed specifications, drawings, samples or descriptions, are of contractual quality and suitable for the Client's intended purpose or application. Above and beyond this, the Supplier confirms compliance with all laws and regulations applicable in the specific markets with respect to the manufacture and, where relevant, the development of the goods, as well as the fulfilment of his contractual obligations. The Supplier shall, at our discretion, replace goods rejected by us at no additional cost (replacement of defective goods with goods that are free from defects) or issue a credit note against the invoice amount; the latter shall apply only where the Supplier has refused to effect replacement or is unable to do so in good time. If necessary, we shall also be entitled to effect the necessary repairs to remedy the defects ourselves or to commission a third party to effect them, at Supplier's cost. Where the defects are significant and irreparable, or if the Supplier refuses to remedy them on request by us, we shall be entitled to withdraw from the

contract and to claim appropriate damages. The Supplier expressly waives his right to reject any notification of defects on the grounds that it was given too late. In the case of apparent faults, we shall be entitled to notify the Supplier within 30 days, requesting him to remedy the defects; in the case of hidden defects, we are not bound to observe specific deadlines, but undertake to notify the Supplier of such defects immediately on discovery. Hidden defects are understood to include such defects as will not normally become apparent until goods are removed from their packaging prior to use. Any acceptance by us of a consignment which does not meet our quality standards shall not in any way affect our right to refuse acceptance of further consignments of a quality which fails to meet our standards at any time in the future. The warranty period for spare parts deliveries and repaired goods commences with due delivery / date of delivery of the duly repaired goods. The Supplier undertakes to inspect outgoing goods thoroughly in order to ensure correct and fault-free delivery. Incoming goods are only inspected at our premises for outwardly visible damage and/or deviations in identity and quantity of the goods. Unless otherwise agreed with the Supplier, the statutory warranty period of 24 months, commencing from the date of commissioning of the goods at their final destination, shall apply. In the case of both new and used merchandise, the date of commissioning shall be deemed to be the date on the final acceptance protocol from our customers. The obligation to give notification of defects under in § 377 UGB (Austrian Commercial Code) is herewith expressly excluded.

We shall be indemnified against any and all claims for costs or damages, including in particular claims under the product liability provisions valid in Austria or other countries or claims arising from faulty delivery or delivery in violation of the contractual terms. We shall also be indemnified against any and all claims for damages due to defects which are filed against us by third parties (purchasers of our products and systems), but only to the extent of such claims made against us; this is deemed to include covering purchases. We undertake to inform the Supplier without delay of any such claims filed by the third party (purchaser). Moreover, if part of the delivery is defective, we shall be entitled to withdraw the overall order and/or to withdraw from the framework agreement - without prejudice to our right to claim for compensation and without this giving rise to any claims against us by the Supplier. The Seller shall also assume warranty obligations for goods and components supplied but not manufactured by him.

In the event of a claim under warranty, we reserve the right to charge a processing fee of EUR 90.-- plus VAT for each claim, irrespective of the reason for and extent of the claim. Any costs, outlay or damages above and beyond this sum will be invoiced separately.

11) INVOICING & PAYMENT

Invoices will be issued in single copy. As a minimum requirement, every invoice must contain all information prescribed by law, in particular the Seller's VAT number and the Client's VAT number as well as the supplier number, number and date of the order/ call-off, date and number of the order confirmation, Buyer's additional data (e.g. accounting details, article numbers), unloading point, number and date of the delivery note and quantity of the goods invoiced. Where requested by the Client, a copy of the Performance Record, signed by the customer, will be enclosed. Copies must be

labelled as such and must show the name of the Supplier. Invoices shall be issued in accordance with our specifications as listed under Point 9 of our General Terms of Procurement. Performance Records must be enclosed with the invoice. We are unable to accept invoices and delivery documents not made out in accordance with these stipulations and will return them to the sender. Where invoices are made out incorrectly or are incomplete, we shall without exception request a credit note covering the total amount incorrectly invoiced and the issuing of a new invoice. The period for payment shall begin on the date of receipt of the correct invoice.

In the absence of other written agreement, payment will be effected after complete delivery of the goods and receipt of the invoice, either within 90 days net, after 45 days less 2% cash discount or after 21 days less 3% cash discount, at our discretion. The period for payment commences on the date of receipt (verified by the receipt stamp) of the invoice. We reserve the right to effect payment by bank transfer or by acceptance to be presented to a bank of our choice for discount in accordance with our instructions. In this case, interest and fees will be invoiced to us directly by the bank. Claims against us may not be assigned without our express approval. Cash on delivery consignments will not be accepted unless this was expressly agreed upon. Accounts receivable trade are barred by the statute of limitation one year after acceptance of the goods or completion of the work. We also reserve the right to effect payment once per week, in the week within which the due date falls. Payment shall not be deemed to constitute acceptance of correct delivery or the waiving of any rights on our part. We shall be entitled to claim compensation if any counter-claims exist.

12) ORDER DOCUMENTS & COPYRIGHT & CONFIDENTIALITY

The contracting parties mutually undertake to treat as trade secrets all commercial and technical details of which they become aware as a result of their business collaboration and which are not in the public domain.

All enclosures to our inquiries or orders (e.g. drawings, drafts, samples, models) and other aids to execution of our order such as tools etc. shall remain our property, which we can dispose of freely and which may not be copied, made accessible to third parties or used for other purposes without our written consent. Such enclosures and aids must be returned to us without prompting, with the offers or after execution of an order and at Supplier's cost. Order documents (drawings, logos, models, samples etc.) may not be used for advertising purposes without obtaining our express approval.

The contracting parties undertake not to disclose any confidential details or information to which they become privy within the framework of this business relationship, for the duration and after termination of this contractual relationship. The Supplier shall, however, be entitled to pass on confidential information to his sub-suppliers, to an appropriate degree and in as far as this may be necessary for the execution of the order. The contracting parties also undertake to impose an obligation of secrecy on their employees. The Supplier shall be held liable for any damage incurred as a result of violation of this obligation.

13) PRODUCT LIABILITY

The Supplier confirms that he is familiar with the end product into which his vendor parts or basic materials are to be integrated. The Supplier shall be liable for ensuring that his product meets the requirements for the end product, unless delivery is effected on the basis of other specifications or drawings prescribed by us.

Suppliers in foreign countries are under obligation to indemnify us against all and any claims under Austrian product liability law, that is, to reimburse us for any outlay and costs we may incur as a result of faults in the end product delivered, irrespective of any statutory avenues of recourse. The Supplier is aware of the extended liability under Austrian product liability law. The Supplier thus acknowledges that he may be held liable not only for personal injury, but also to pay damages for pain and suffering and compensation, for all material damage and financial losses, including loss of profit, irrespective to whom it is caused. If we should be held liable for damages arising from defects in the sub-product which is the subject of this agreement, the Supplier undertakes, above and beyond his statutory liability, not only to refund to us any compensation paid by us, but also to reimburse us for all costs incurred as a result of the liability claim. The Supplier is under obligation to disclose to us without delay any information on possible or newly discovered faults in the product supplied. If, as a result of new scientific insights, it should no longer be possible (or legally permissible) for us to use the product or basic material supplied or if it can no longer be used as originally planned, the Supplier undertakes to take back at the invoiced value all existing stocks supplied before publication of the said new scientific insights. The contracting parties proceed from the assumption that the product or basic material ordered is a product of the Supplier, for which he, as the manufacturer, is liable. The Supplier shall remain liable as the manufacturer even if it is subsequently ascertained that all or specific sub-products were not produced by the Supplier himself. In the case of recurring products, we must be informed of any changes to the product, to the product features or to a part of the product.

This includes both materials as well as the manufacturing process employed by the Supplier and sub-supplier. Any change which results in the product becoming unusable for us shall be deemed grounds for immediate termination of the delivery contract on our part.

The Supplier is under obligation to take out and maintain, on behalf of his company, product liability insurance with adequate coverage, and is obliged to submit proof of the corresponding insurance coverage on request from us. Any limitation of the claims for compensation due to us in this connection is completely excluded in advance.

14) PAYMENT OF DAMAGES

Unless other stipulations with respect to the payment of compensation are agreed on in these Terms of Procurement, the Seller, irrespective of his degree of culpability, shall be liable to reimburse the Client for damage, including loss of profits, suffered directly or indirectly as the result of faulty delivery, the violation of safety regulations or on other legal grounds attributable to the Seller. In particular, the Supplier is liable for all consequential damage caused by defects and damage of a purely financial nature.

15) QUALITY, SAFETY AND ENVIRONMENTAL PROTECTION

Unless otherwise agreed, the Supplier must meet the requirements of quality standards as specified by the latest version of ISO/TS 16949 or at least as per the latest version of ISO 9001. The goods supplied must comply with Austrian and international safety and environmental protection regulations and in particular must not contain cadmium, mercury or their compounds or halogenated flame retardants. Details of specific quality standards to be complied with will be regulated in separate written Quality Assurance Agreements (QAA) in each case.

16) INFORMATION, DECLARATION OF MATERIALS, ROHS, DISPOSAL

Irrespective of any statutory obligation to provide instruction, the Seller must furnish the Client with all necessary and useful information regarding the product or service to be supplied, in particular instructions for appropriate storage, as well as safety data sheets as prescribed by directives 91/155/EEC, 93/112/EEC and 99/45/EC. In addition, he is under obligation to inform the Client of the possible occurrence of hazardous waste or waste oils in connection with the goods supplied by him and in particular to provide details of the properties of such waste and disposal options. If requested by the Client, and in accordance with the Waste Management Act, the Seller is under obligation to take back free of charge any waste arising during intended use of the goods supplied by him or equivalent goods, to the maximum amount of the quantity supplied. Should the Seller refuse or be unable to do so, the Client shall be entitled to make arrangements for disposal of the waste, with the costs to be borne by the Seller.

The Seller guarantees that the goods supplied by him on the basis of the order meet the RoHS (Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment) requirements and thus comply with the limit values prescribed at the time of delivery under the RoHS Directive (EC Directive 2002/95/EC). The Seller shall reimburse the Client for any damage arising from the delivery of non-RoHS-compliant goods, without prejudice to possible claims under warranty.

17) TOOLS, EQUIPMENT, DEVICES

We retain unrestricted title to all tools, equipment and devices created on our order and paid for by us, including all spare parts, design drawings, documentation, maintenance documents, operating manuals and related rights, and reserve the right to dispose freely of such property at any time and without incurring additional expense. More detailed stipulations in this context shall be regulated in a separate tool property agreement. Any models, moulds, templates, samples, tools and other manufacturing aids, including confidential information, which the Client may make available to the Seller or which are paid for in full by the Client may not be used for supplies to third parties without obtaining the prior written consent of the Client. The Seller is under obligation to maintain and service such manufacturing aids appropriately at all times at his own cost and to effect any necessary repairs in order to ensure that said manufacturing aids are fully operational at any time. The Seller must

insure such manufacturing aids adequately against any form of damage and must furnish the Client with proof of the existence and validity of such insurance on request.

18) PROVISION OF MATERIALS

Any materials provided by the Client remain the property of the Client and must be stored, labelled and managed separately and free of charge. Delivery and acceptance of such materials must be confirmed at the Client's request. Such materials may only be used for the execution of the Client's orders. The Supplier is under obligation to compensate the Client for any extra-ordinary depreciation in the value of or the loss of such materials. We shall incur the costs for failure to provide any such necessary materials in a timely manner. However, any claim for compensation by the Supplier on the grounds of delayed provision of such materials is expressly excluded. The Supplier is under obligation to notify the Client without delay if claims, including the instigation of legal action in the form of seizure proceedings, are asserted by third parties with respect to the materials provided by the Client.

19) LABOUR PROTECTION

The Supplier assumes responsibility for coordination under § 8 of the Austrian Labour Protection Act.

20) INDUSTRIAL PROPERTY RIGHTS

The Supplier declares that the goods and products supplied by him do not infringe on the patent rights of a third party and that he will indemnify us against all and any claims in the case of patent disputes with regard to goods supplied and any disputes in connection with other industrial property rights and patent applications of third parties. Drafts of any kind created for us by the Supplier and all associated rights, in particular all exploitation rights, shall become our sole property. Software developed for us - as an independent product or in combination with hardware - must be handed over to us, including the source codes and all other documentation required for the use and servicing of the software. The manufacturer's name or company logo may only be featured on products or similar articles manufactured to our specifications or manufactured exclusively for us after obtaining our express written consent. Such consent shall apply exclusively to the individual and specific case for which it was granted.

Where parts ordered by the Client are parts developed by the Client, the Seller shall undertake to supply such parts exclusively to the Client. The Seller also undertakes not to mention or show such parts in his catalogues.

We shall be entitled at any time to offset any claims of the Supplier against counter-claims accruing to us for any reason against the Supplier.

21) PLACE OF PERFORMANCE & JURISDICTION

The place of performance for deliveries effected and services rendered under these Terms of Procurement shall be understood to be the place of delivery specified by us or the place agreed upon in advance and up to the date of delivery as the place of delivery.

Any disputes arising under this contract shall fall within the exclusive jurisdiction of the competent court at the Client's place of business. The place of jurisdiction for both parties is Linz. It is regarded as agreed that Austrian law shall apply exclusively. In the event of legal disputes with a supplier whose place of business is in a state with which Austria has no enforcement agreement, it is agreed that a court of arbitration using the rules of arbitration and conciliation of the arbitral tribunal Vienna (Bundeskammer der gewerblichen Wirtschaft Wien), located in Vienna, shall have sole and exclusive jurisdiction. Arbitral proceedings will be conducted exclusively in German.

22) FORCE MAJEURE

In cases of force majeure such as industrial disputes (strikes, lockouts), political unrest, official measures, natural disasters and other unforeseeable and serious circumstances beyond our control, we shall be entitled to withdraw from the contract, fully or in part, or to request delivery or execution of an order at a later date, without this giving rise to additional claims against us by the Supplier. In the case of a partial loss of production capacity by the Supplier or partial inability on his part to effect delivery due to force majeure, the Supplier is in any case under obligation to continue to supply goods to the Client, at least in proportion to his remaining production or delivery capacity. Above and beyond this, the Supplier is also obliged to make every technically possible and economically reasonable effort to ensure further delivery of the order, even in the case of force majeure.

22) SEVERABILITY CLAUSE

Should individual provisions of a further contract or these General Terms of Procurement be or become ineffective or invalid, the remaining provisions of the contract and the General Terms of Procurement will remain unaffected thereby. Ineffective or invalid provisions shall be replaced by effective provisions which come as close as possible to expressing the original economic intention of the ineffective or invalid provisions. The same applies in the case of legal loopholes.