

§ 1 Applicability

(1) All deliveries, services, and offers of Hüttenwerke Königsbronn GmbH (the "Seller") shall be effected exclusively upon the basis of these General Terms and Conditions of Business (the "GTC"), to the extent that the Buyer (as defined below) is (i) an entrepreneur, (ii) a legal person organized under public law, or (iii) an investment fund (*Sondervermögen*) organized under public law. These GTC shall be a component of all contracts which the Seller enters into with its contracting partners (the "Buyer(s)") concerning the deliveries or services offered by the Seller. These GTC shall also apply to all future deliveries, services, or offers to the Buyer, even if such have not yet been separately agreed upon.

(2) The GTC of the Seller shall apply exclusively. Any of the Buyer's divergent, opposing, or supplemental general terms and conditions of business shall become a contractual component only then and to the extent that the Seller has expressly consented to their applicability. This consent requirement shall apply in every instance, e.g., even if the Seller, with full knowledge of the Buyer's general terms and conditions of business, carries out the delivery to the Buyer without reservation.

§ 2 Offer, contract formation, and written-form (Schriftform)

(1) All offers of the Seller's shall be subject to change (*freibleibend*) and non-binding, insofar as they are not expressly identified as binding or contain a certain deadline for acceptance. The Seller shall be able to accept orders within fourteen (14) days of receipt.

(2) Any amendments to and restatements of the agreements made, including these GTC, shall require the text-form (*Textform*) in order to be effective. With the exception of managing directors or procurists, the Seller's employees shall not have any right to make any verbal agreements deviating therefrom. Insofar as the written-form (*Schriftform*) is provided as mandatory, transmittal via telefax shall suffice to preserve such.

(3) The Seller shall reserve for itself the title to or the copyright in all documents or objects (offers, cost estimates, drawings, pictorial depictions, calculations, models, etc.) which have been handed over and sent by the Seller. Without the express consent of the Seller, the Buyer shall not be permitted (i) to make these documents and objects accessible or known to any third parties or (ii) to use or reproduce these documents and objects, whether itself or through third parties.

§ 3 Prices and terms and conditions of payment

(1) The Seller shall have the right to assign its receivables against the Buyer also to third parties.

(2) Unless otherwise stipulated in the individual case, the Seller's prices current as of the date each contract is entered into shall apply. The prices shall apply to the stipulated scope of performance and delivery carried out. Any additional, supplemental, or special services shall be invoiced separately. The prices shall be understood as being in Euros ex works plus packaging, statutory value-added tax, and, in the event of export deliveries, any customs charges as well as any other public taxes or fees.

(3) The purchase price shall be mature and payable within thirty (30) days of invoice issuance and delivery or acceptance of the goods. The Seller shall, however, at all times have the right, even within the scope of an ongoing business relationship, to carry out a delivery in whole or in part only on advance payment. The Seller shall declare a corresponding reservation by no later than upon confirmation of the order.

(4) Any deduction of an early-payment discount shall require an express stipulation.

(5) If the Buyer does not settle the receivable within thirty (30) days of receipt of the invoice, then the Buyer shall enter into default as contemplated by § 286 para. 3 of the *Bürgerliches Gesetzbuch* (the Civil Code, the "BGB"). Any deviating provisions with respect to the maturity shall require the text-form. The

Seller shall reserve to itself the right to assert a claim for further default-based damages. Such shall be without prejudice to any claim of the Seller vis-à-vis merchants (*Kaufleute*) to interest after the due date under § 353 of the *Handelsgesetzbuch* (the Commercial Code, the "HGB").

(6) If the Buyer is in payment default with a receivable, then the Seller shall be able to accelerate all remaining receivables against the Buyer.

(7) It shall be permissible (i) to set off with counterclaims of the Buyer's or (ii) to withhold payments due to such claims only to the extent that the counterclaims are undisputed or have been legally established.

(8) If, after the contract is entered into, it becomes discernible that the Seller's claim to the purchase price is jeopardized by the Buyer's lack of ability to perform, then the Seller shall have the right, in accordance with statutory provisions, to refuse performance, and – after setting a notice period, as the case may be – to withdraw from the contract (§ 321 HGB). In the case of contracts governing the manufacture of unwarrantable (individually manufactured items), the Seller shall be able to declare the withdrawal immediately; such shall be without prejudice to the statutory provisions governing the dispensability of the setting of the notice period.

§ 4 Delivery and delivery time

(1) Any deadlines and dates for deliveries and services promised by the Seller shall be binding if a fixed deadline or a fixed date has been expressly promised or stipulated. Insofar as shipment has been stipulated, the delivery deadlines and delivery dates shall refer to the date of transfer to the carrier, forwarder, or any other third party hired for the transportation. The prerequisite for the commencement of the performance or delivery time specified shall be the clarification of any and all technical questions.

(2) The Seller shall not be liable for impossibility of delivery or for delivery delays, to the extent that such have been caused by *force majeure* or by other occurrences (e.g., operational disruptions of all kinds, difficulties in procuring materials or energy, transportation delays, strikes, legal lockouts, lack of manpower, energy, or raw materials, or the missing, incorrect, or untimely delivery by suppliers) unforeseeable as of the date of entering into the contract, insofar as the Seller does not bear responsibility for such. Insofar as (i) such occurrences materially impede or render impossible the delivery or the performance and (ii) the hindrance is not only of temporary duration, the Seller shall have the right to withdraw from the contract. In the event of hindrances merely of a temporary nature, the delivery or performance deadlines shall be extended, or the delivery or performance dates shall be postponed by the period of the time of the hindrance in addition to a reasonable start-up period. To the extent that it cannot be reasonably expected of the Buyer, as a result of the delay, to accept the delivery or performance, then the Buyer shall be able, by means of a written declaration without undue delay, to withdraw from the contract vis-à-vis the Seller.

(3) The Seller shall have the right to partial deliveries if (i) the partial delivery is usable for the Buyer within the framework of the intended contractual use, (ii) the delivery of the remaining goods ordered is ensured, and (iii) no considerable further expense or additional costs arise to the Buyer.

(4) If the Seller enters into delivery default, then the Buyer shall be able to demand a lump-sum compensation of its damages from the default. The lump-sum damages shall be 0.5% of the net price (delivery value) for each fully completed calendar week of the default, but, however, altogether at most 5% of the delivery value of the goods delivered late.

(5) Such shall be without prejudice to the rights of the Buyer under § 7 of these GTC and the statutory rights of the Seller, particularly in the event of the exclusion of the duty of performance (e.g., due to

impossibility or unreasonableness of the performance and/or subsequent performance).

§ 5 Place of performance, passage of risk, acceptance

(1) The place of performance for all obligations arising from the contractual relationship shall be the registered office of the Seller, to the extent that nothing else has been determined. If the Seller is also obligated to make an installation, then the place of performance shall be the location at which the installation is to be made.

(2) The risk shall pass to the Buyer upon the transfer of the deliverable to the carrier, forwarder, or other third party designed to carry out the shipment. Such shall apply even if partial deliveries are effected or if the Seller has assumed still other services (e.g., shipment or installation). If the shipment or the transfer is delayed due to a circumstance caused by the Buyer, then the risk shall pass to the Buyer from the day on which the deliverable is ready for shipment and the Seller has reported this to the Buyer. Any storage expenses subsequent to the passage of risk shall be borne by the Buyer.

(3) A formal acceptance shall have taken place if the contracting parties have stipulated such. If no formal acceptance has been stipulated, then the performance shall be deemed as accepted with the lapse of twelve (12) business days after written notification of the completion of the performance. Unless otherwise stipulated, if (i) no formal acceptance is stipulated and (iii) the Buyer has made use of the performance or a part thereof, then the acceptance shall be deemed as having taken place after the expiration of six (6) business days of the commencement of use.

(4) If (i) the Buyer comes into acceptance default, (ii) the Buyer neglects to perform a cooperative action, or (iii) the delivery of the Seller is delayed for other reasons for which the Buyer is responsible, then the Seller shall have the right to demand compensation of any damages arising therefrom, including additional expenses (e.g., storage costs). For this purpose, the Seller shall invoice lump-sum damages in the amount of 0.5% of the net price per completed calendar week, but not totaling more than 5% of the net price of the goods, commencing with the delivery deadline or – in the event of the absence of a delivery deadline – with notification of the readiness of the goods for shipping. Such shall be without prejudice to verification of any greater damages and to any statutory claims of the Seller (including, but not limited to, damages for additional expenses, reasonable compensation, termination); however, the lump-sum is to be credited to any further money claims. The Buyer shall continue to be allowed to prove that Seller has not incurred any damages at all or damages that are materially less than the lump-sum above.

§ 6 Material defect, defect claims

(1) In the event of material and legal defects (including incorrect or inadequate deliveries as well as improper installation or deficient installation instruction), the statutory provisions shall apply to the extent that nothing to the contrary is provided below. In any event, the special statutory provisions governing the final delivery of goods to a consumer (supplier recourse in accordance with §§ 478, 479 BGB) shall not be affected.

(2) The Buyer's specifications concerning the purpose of the delivery or performance and the representations thereof shall be dispositive, to the extent that no precise agreement requires utility concerning a contractually provided purpose. Said specifications shall not be guaranteed characteristics of quality structure (*Beschaffenheit*), but rather descriptions or identifiers of the delivery or performance. Deviations (i) customary in the trade and (ii) which occur due to statutory provisions or constitute technical improvements, as well as the replacement of components using parts of equal value, shall be permissible to the extent that they do not

deleteriously affect the utility concerning the contractually provided purpose.

(3) The prerequisite for any claims of defects shall be that the Buyer has complied with its duties to inspect and object (*Untersuchungs- und Rügeobliegenheiten*) owed under § 377 HGB. In the event of a contract for work and services (*Werkvertrag*), § 377 HGB shall analogously apply. The Buyer shall have to (i) inspect the product for its functionality without undue delay after acceptance or the passage of risk of the product and (ii) report to the Seller in writing any ascertained defects as well as any hidden defects after the discovery thereof, without undue delay, by no later than within a notice period of seven (7) days.

(4) If a defect is based on the fault of the Seller, then the Buyer shall be allowed to demand compensatory damages under the prerequisites set forth in § 7.

(5) Any claims for defect shall fail if the Buyer modifies or has third parties modify the deliverable without the Seller's consent and the defect remediation is thereby unreasonably impeded or rendered impossible. In any event, the Buyer shall have to bear any additional expenses for defect remediation arising from the modification.

(6) Subsequent performance shall neither constitute a removal of the defective item nor a reinstallation if the Seller was not originally obligated to an installation. Any expenses requisite for the purpose of review and subsequent performance, including, but not limited to, expenses for transportation, road fees, and expenses for labor and materials (not: removal and installation costs) shall be borne by the Seller if a defect is actually present. Otherwise the Seller shall be able to demand that the Buyer reimburse the expenses arising from the unjustified demand for defect remediation (including, but not limited to, inspection and transportation expenses), unless the absence of defect was not discernible for the Buyer.

§ 7 Liability for compensatory damages

(1) Any liability of the Seller for compensatory damages, regardless of legal basis, including, but not limited to, impossibility, default, deficient or incorrect delivery, breach of contract, breach of duties in contractual negotiations, and tort, shall be, to the extent that the given case is fault-dependent, restricted in accordance with § 7 herein.

(2) The Seller shall not be liable in the event of simple negligence of its governing bodies (*Organe*), legal representatives, employees, or other vicarious agents, to the extent that the issue does not involve breach of contractually material duties. A 'contractually material duty' is an obligation the fulfillment of which constitutes a condition *sine qua non* for the proper execution of the contract and upon which the Buyer relies and may rely. 'Contractually material,' for example, are (i) the obligation to make timely delivery and installation of the deliverables free of material defects, and (ii) advisory, protective, and care duties which are supposed to facilitate the contractually contemplated use of the contractual item or aim to protect life or limb of the Seller's personnel.

(3) To the extent that the Buyer is liable on the merits for compensatory damages under § 7(2), such liability shall be limited to damages which the Seller upon entering into the contract has anticipated as a possible consequence of a breach of contract or (ii) which, in exercising the prudence customary in the trade, they should have had to anticipate. Indirect damages and consequential damages that are the consequence of defects in the deliverable shall be otherwise compensable to the extent that such damages are typically to be expected with intended use of the deliverable.

(4) In the event of liability for simple negligence, the duty of the Seller to render compensation for property damage and any additional financial losses shall be limited to an amount of €500,000.00 (five hundred thousand Euro) per incident of damage, with a maximum of two (2) insured

cases per year (corresponding to the present coverage amount of business liability insurance (*Betriebshaftpflichtversicherung*)), even if the issue is one of breach of a material contractual duty. Upon demand, the Seller shall send the Buyer a copy of the insurance policy. In the event that the insurer is released from performance, based upon a breach of obligation by the Seller, the Seller shall be obligated vis-à-vis the Buyer to be responsible from the Seller's own resources up to the coverage amount.

(5) Liability exclusions and limitations shall apply in the same scope to the benefit of governing bodies (*Organe*), legal representatives, employees, and any other vicarious agents of the Seller.

(6) The limitations of § 7 herein shall not apply to any liability of the Seller (i) due to intentional conduct, (ii) for guaranteed quality structures, (iii) due to injury to life, limb or health, or (iv) under the *Produkthaftungsgesetz* (the Products Liability Act, the "ProdHaftG").

§ 8 Ownership proviso, surety

(1) The Seller shall reserve title to the deliverables until receipt of all payments arising from the business relationship. In the event of any conduct of the Buyer in breach of contract, the Seller shall have the right under statutory provisions to withdraw from the contract and to demand surrender of the deliverable on the basis of the ownership proviso and of the withdrawal. If the Buyer does not pay the mature purchase price owed, then the Seller shall be allowed to assert these rights only if (i) the Seller has previously set a reasonable deadline for payment for the Buyer without success or (ii) the setting of such a deadline can be dispensed with under statutory provisions.

(2) After taking back the deliverable, the Seller shall be authorized to liquidate it, and the proceeds from the liquidation is – less reasonable expenses for the liquidation – to be credited to the Buyer's debt obligations.

(3) The Buyer shall be obligated to treat the deliverable with care; in particular, the Buyer shall be obligated to insure it, at the Buyer's own expense, against any damages arising from fire, water, and theft. Insofar as maintenance and inspection work is required, the Buyer shall have to perform such in a timely manner at its own expense.

(4) The Buyer shall have the right to resell the deliverable in the ordinary course of business; however, the Buyer herewith assigns to the Seller all receivables in the amount of the final invoice amount (including VAT), which accrue to the Buyer from the further sale to its customers or to third parties. The Buyer shall be empowered to collect on this receivable even after the assignment. Such shall be without prejudice to the Seller's authorization to collect the receivable on its own. However, the Seller shall be obligated not to collect the receivable as long as (i) the Buyer complies with its obligations to pay from the collected proceeds, (ii) the Buyer does not come into payment default, and (iii) in particular no application is lodged to initiate a bankruptcy proceeding.

(5) The processing or transmutation of the deliverable by the Buyer shall always be performed for the Seller. If the deliverable is processed with other items not belonging to the Seller, then the Seller shall acquire joint title in the new item in proportion to the value of the purchase item (final invoice amount, including VAT) for the other processed items at the time of the processing.

(6) If the deliverable is inseparably commingled with other items not belonging to the Seller, then the Seller shall acquire joint title in the new item in proportion to the value of the purchase item (final invoice amount, including VAT) to the other commingled items as of the date of the commingling. If the commingling is effected in such a manner that the item of the Buyer is to be regarded as the primary item, then it shall be deemed as stipulated that the Buyer shall proportionally convey joint title of the Seller. The Buyer shall store for the Seller the sole or joint title coming into existence in this manner.

(7) The Buyer also assigns to the Seller any receivables which accrue against a third party from the connection of the purchase item with a parcel of real property.

(8) The Seller shall be obligated upon the Buyer's demand to release any securities to which it is entitled, insofar as the realizable value of the Seller's securities exceeds, by more than 10%, the Seller's receivables to be secured; it shall be incumbent upon the Seller to select the securities to be released.

(9) In the event of a delivery into a foreign country, for the purpose of securing the payment claims the Seller shall have the right to demand from the Buyer the handing over of an unlimited absolute suretyship of performance (*selbstschuldnerische Erfüllungsbürgschaft*), subject to German law, from a credit institute licensed to do business in the European Union.

§ 9 Limitation period

(1) In derogation of § 438 para. 1 no. 3 BGB, the general limitation period for claims arising from material and title defects shall be one (1) year from delivery. To the extent that an acceptance is stipulated, the limitation period shall commence with the acceptance.

(2) If, however, the goods involve a building or an item which, in accordance with its customary manner of use, has been used for a building and has caused its defectiveness (construction material), then the limitation period shall, in accordance with the provision of law, be five (5) years from delivery (§ 438 para. 1 no. 2 BGB). Such shall also be without prejudice to any additional special statutory provisions governing the limitation period (including, but not limited to, § 438 para. 1 no. 1, para 3, §§ 444, 479 BGB).

(3) The above limitation periods of purchasing law shall also apply to contractual and extra-contractual compensatory damages claims of the Buyer based upon a defect in the goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation in the individual case. Any compensatory damages claims arising from material contractual duties under § 7(2) and (3), arising from injury to life, limb, or health, or from grossly negligent breaches of duty of the Seller or of its vicarious agents, or under the ProdHaftG shall, however, lapse exclusively in accordance with the statutory limitation periods.

§ 10 Venue, choice of law, final provisions

(1) Venue shall be the registered office of the Seller; however, the Seller shall have the right to bring suit against the Buyer at the court of the Buyer's domicile.

(2) The law of the Federal Republic of Germany shall apply exclusively, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

(3) To the extent that the contract or these GTC contain any loopholes in their provisions, for the purpose of closing said loopholes, there shall be deemed as stipulated those legally effective provisions to which the contractual partners would have agreed in accordance with the economic objectives of the contract and the spirit of these GTC, had the contracting partners known of the loopholes in the provisions.

As of: May 2019