

## General Conditions of Purchase of SAUERESSIG Group and SGK Group

1. Companies of SAUERESSIG Group and SGK Group in Germany (hereinafter referred to as **SAUERESSIG / SGK**) only conclude contracts with entrepreneurs (§ 14 BGB), legal entities under public law or special funds under public law (hereinafter referred to as **Contractual Partner**) for deliveries and services of the Contractual Partner to SAUERESSIG / SGK of which these General Terms and Conditions of Purchase shall become an integral part. General terms and conditions of the Contractual Partner or a third party shall not become part of contracts with SAUERESSIG / SGK.

Individual contractual agreements take precedence over these General Terms and Conditions of Purchase.

2. The place of performance for deliveries and services shall be the registered office of the SAUERESSIG / SGK company with which the Contractual Partner concludes the contract.

3. With the commissioning of the Contractual Partner and the associated authorisation to use secret know-how, copyrights and other property or trademark rights of SAUERESSIG / SGK, the Contractual Partner shall not acquire any own rights thereto. SAUERESSIG / SGK shall be exclusively entitled to all rights thereto. The Contractual Partner may use these rights exclusively for the fulfilment of the delivery and service obligations towards SAUERESSIG / SGK. The Contractual Partner shall protect these rights as a trade secret of SAUERESSIG / SGK.

SAUERESSIG / SGK shall retain ownership or copyright of the drawings, illustrations, calculations, descriptions and other documents provided by SAUERESSIG / SGK. The Contractual Partner may neither make these documents accessible to third parties nor use or reproduce them himself or through third parties without the consent of SAUERESSIG / SGK. The Contractual Partner shall return these documents to SAUERESSIG / SGK on request if they are no longer required or if negotiations do not lead to the conclusion of a contract. Copies made by the Contractual Partner shall be destroyed unless statutory storage obligations apply.

Tools, devices and models etc., which SAUERESSIG / SGK makes available to the Contractual Partner or which are manufactured for contractual purposes and are charged separately by the Contractual Partner, remain the property of SAUERESSIG / SGK or become the property of SAUERESSIG / SGK. They are to be identified by the Contractual Partner as the property of SAUERESSIG / SGK, to be stored carefully, to be secured against damage and to be used only for

the purposes of the contract. The Contractual Partner is obliged to return the objects in proper condition to SAUERESSIG / SGK upon request if they are no longer required for the fulfilment of the contract.

The Contractual Partner shall ensure that third parties commissioned by the Contractual Partner (e.g. suppliers) also comply with the above provisions.

4. The Contractual Partner can only accept offers (orders or purchase orders) from SAUERESSIG / SGK within one week, starting with the date of the purchase order. The receipt of the declaration of acceptance (order or order confirmation) by SAUERESSIG / SGK shall be decisive for the timely acceptance of the offer by the Contractual Partner. The Contractual Partner shall point out obvious errors (e.g. spelling and calculation errors) and incompleteness of the orders or purchase orders (including the enclosed documents) before acceptance. Also before acceptance, the Contractual Partner is obliged to inform SAUERESSIG / SGK without being asked if the offered goods contain conflict minerals from protected countries (CRD-Countries) according to Sec. 1502 Dodd-Frank Act (or corresponding regulations of the European Union or Germany) and to indicate the origin and the supply chain of the conflict minerals as well as to hand over the corresponding Conflict Minerals Report.

The Contractual Partner shall expressly refer to changes in orders or purchase orders confirmations compared to the orders or purchase orders of SAUERESSIG / SGK. Such changes shall only become effective if they are confirmed by SAUERESSIG / SGK in text form.

SAUERESSIG / SGK shall be entitled to request changes to the agreed performance after conclusion of the contract if SAUERESSIG / SGK observe a reasonable period of time, but at least five working days prior to the agreed performance time, for the change request and the changed performance can be provided within the framework of the normal business operations of the Contractual Partner without significant additional expenditure. The Contractual Partner shall inform SAUERESSIG / SGK immediately after receipt of the change request of its effects with regard to any additional or reduced expenses as well as the delivery and performance dates. If SAUERESSIG / SGK then bindingly requests the change the additional expenses caused by the change shall be reimbursed to the Contractual Partner and shall be shown separately in invoices. Any reduced expenses will be offset in favour of SAUERESSIG / SGK. The agreed delivery or performance time

shall be changed by the period of time required for the change of the performance.

SAUERESSIG / SGK shall be entitled to withdraw from the concluded contract if SAUERESSIG / SGK is no longer interested in the service for factual reasons which have arisen after the conclusion of the contract and for which SAUERESSIG / SGK is not liable according to the contractual or legal distribution of risk. Partial performance already rendered and other expenses already incurred for the execution of the contract shall be remunerated against proof.

The prices stated in the orders or purchase orders are binding. The prices also include the packaging and the delivery of the item to the place of performance specified in the contract as well as (insofar as this is owed) its assembly. Upon request, the Contractual Partner shall take back the packaging at its own expense.

In all order and purchase order confirmations, delivery documents and invoices, the Contractual Partner shall state the SAUERESSIG / SGK order number, the SAUERESSIG / SGK material number (if available), the article number, delivery quantity and delivery address.

The Contractual Partner shall not be entitled to partial performance. The Contractual Partner shall also not be entitled to have the service owed by him rendered by third parties without the prior consent of SAUERESSIG / SGK.

5. The performance time stated in the orders or purchase orders shall be binding. The Contractual Partner shall inform SAUERESSIG / SGK immediately if it is to be expected that the performance time cannot be met. The Contractual Partner shall bear the procurement risk for his services, unless otherwise agreed.

If the performance time is determined according to the calendar (delivery date or delivery period), the Contractual Partner shall be in default with the expiry of this day without a reminder by SAUERESSIG / SGK being required for this. However, SAUERESSIG / SGK can only demand compensation instead of performance if SAUERESSIG / SGK has unsuccessfully set the Contractual Partner a reasonable deadline for performance.

SAUERESSIG / SGK shall be entitled to demand a contractual penalty from the Contractual Partner in the amount of 1 % for each commenced calendar week of delay, but no more than 5 % of the respective net order value. The contractual penalty shall be credited as minimum damage to the damage caused by delay to be compensated by the Contractual Partner and may still be asserted until payment on the invoice of the contractual partner.

The risk shall only pass to SAUERESSIG / SGK, even if shipment has been agreed, when the item is handed over to SAUERESSIG / SGK at the agreed place of performance. Insofar as an acceptance has been agreed this shall be decisive for the transfer of risk.

6. The statutory provisions shall apply to claims of SAUERESSIG / SGK based on material defects and defects of title with the following provisos:

SAUERESSIG's / SGK's duty to inspect shall be limited to defects which become apparent during an incoming goods inspection with external inspection including the delivery documents as well as during a quality control in a random sampling procedure (e.g. transport damage, wrong and short delivery). If acceptance has been agreed, there is no obligation to inspect. In all other respects it shall depend on the extent to which an inspection is feasible in the ordinary course of business taking into account the circumstances of the individual case. Defects shall be notified in due time if SAUERESSIG / SGK notifies the Contractual Partner within two weeks after delivery of the goods to SAUERESSIG / SGK or discovery of a defect which only becomes apparent later. SAUERESSIG / SGK shall not waive claims for defects by acceptance or by approval of samples or specimens submitted.

The claims of SAUERESSIG / SGK due to defects shall become time-barred after three years. Upon receipt of the notice of defects by the Contractual Partner the limitation of claims for defects shall be suspended until the Contractual Partner refuses to remedy the defect or otherwise refuses to continue negotiations on the claims of SAUERESSIG / SGK. Insofar as acceptance of the service has been agreed the limitation period for claims for defects shall begin with the acceptance.

If the Contractual Partner does not fulfil its obligation of subsequent performance – at the discretion of SAUERESSIG / SGK by remedying the defect (subsequent improvement) or by delivery of a defect-free item (replacement delivery) – within a reasonable period of time set by SAUERESSIG / SGK, SAUERESSIG / SGK shall be entitled to remedy the defect itself and demand reimbursement of the expenses required for this or a corresponding advance payment from the Contractual Partner. If the subsequent performance by the Contractual Partner has failed or is unreasonable for SAUERESSIG / SGK (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage), no deadline needs to be set; SAUERESSIG / SGK shall inform the Contractual Partner of such circumstances without delay, if possible before rectifying the defect.

7. The agreed remuneration shall be due for payment within 30 calendar days from complete delivery and performance (including any agreed acceptance) as well as receipt of a proper invoice. If SAUERESSIG / SGK pays within two weeks, the Contractual Partner shall grant a 3% discount on the net amount of the invoice. In the case of bank transfer, payment shall be deemed to have been made in good time if the transfer order is received by the bank commissioned by SAUERESSIG / SGK before expiry of the payment deadline. SAUERESSIG / SGK shall not be responsible for delays caused by the banks involved in the payment process.

SAUERESSIG / SGK shall not owe any interest on the due date. SAUERESSIG / SGK shall only be in default after a written reminder from the Contractual Partner. In the event of default in payment, SAUERESSIG / SGK shall owe default interest in the amount of five percentage points above the base interest rate in accordance with Section 247 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*).

SAUERESSIG / SGK shall be entitled to rights of set-off and retention as well as the defence of lack of performance of the contract to the extent provided by law. SAUERESSIG / SGK shall in particular be entitled to withhold due payments as long as claims from incomplete or defective performance are still due against the Contractual Partner.

8. The liability of SAUERESSIG / SGK for damages shall be limited in accordance with the following provisions, insofar as fault is relevant in each case:

SAUERESSIG / SGK shall not be liable in the event of slight negligence on the part of organs, legal representatives, employees or other vicarious agents, unless material contractual obligations are breached. Material contractual obligations are obligations which SAUERESSIG / SGK has to grant to the Contractual Partner in accordance with the content and purpose of the contract or the fulfilment of which is essential for the proper performance of the contract and on the observance of which the Contractual Partner regularly relies and may rely.

A claim for damages due to a slightly negligent breach of material contractual obligations shall be limited to the foreseeable damage typical for the contract, in the case of property damage and further financial losses resulting therefrom, however, at most to the coverage amount of the liability insurance which SAUERESSIG / SGK maintains at least to the extent customary in the industry.

The above limitations of liability shall also apply to the same extent in favour of the organs, legal representatives, employees and other vicarious

agents of SAUERESSIG / SGK insofar as they are personally liable (contract for the benefit of third parties).

Insofar as SAUERESSIG / SGK provides technical information or advice and this information or advice is not part of the contractually agreed scope of services owed by SAUERESSIG / SGK, this shall be done free of charge and to the exclusion of any liability.

Liability for grossly negligent or intentional conduct or for injury to life, limb or health shall remain unaffected.

9. Retentions of title of the Contractual Partner shall only apply insofar as they relate to the payment obligation of SAUERESSIG / SGK for the respective delivery or service to which the Contractual Partner retains title. Extended or prolonged retentions of title of the Contractual Partner are not agreed.

The Contractual Partner may only transfer rights and obligations from a contract concluded with SAUERESSIG / SGK to third parties with the written consent of SAUERESSIG / SGK. This shall not apply insofar as monetary claims against SAUERESSIG / SGK are concerned.

The law of the Federal Republic of Germany shall apply with the exception of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

For all disputes arising from contracts with SAUERESSIG / SGK the courts at the registered office of the SAUERESSIG / SGK company concluding the contract shall have jurisdiction. SAUERESSIG / SGK shall also be entitled to appeal to the courts at the registered office of the contractual partner.