

These General Terms are a translation of the German "Allgemeine Einkaufsbedingungen" of Vector Foiltec GmbH. In case of differences between the German and the English version the German version shall prevail.

General Conditions of Purchase

Vector Foiltec GmbH - Steinacker 3 - 28717 Bremen

We conclude all of the contracts that are subject to the Law on the Sale of Goods including contracts for work and materials (Article 651 of the German Civil Code) as the purchaser or buyer and we conclude all of the contracts that are subject to the Law on Work Contracts as the customer or buyer which are solely according to our following General Conditions of Purchase. These 'purchasing' conditions therefore apply not only to the contracts with suppliers that are subject to the Law on the Sale of Goods but also to the contractors who carry out work contracts. We do not recognize the conditions of the supplier or contractor that oppose our Conditions of Purchase or differ from them, unless we would have consented to their validity in writing in individual cases. If the supplier or contractor confirms our purchase order by means of diverging from our General Conditions of Purchase, then our General Conditions of Purchase will apply nevertheless, even if we do not object to the diverging conditions of the supplier or contractor. If the supplier or contractor does not agree with this regulation, then he has to expressly advise us about the matter immediately in a separate letter. We reserve the right to revoke our purchase order in that case, without it being possible for any claims to be made against us as a result. In addition to these Conditions of Purchase, we base the work contracts regarding the building work, which are awarded by us and which include the assembly work of the supplier or contractor during the building work, on the ordinance concerning the award of contracts for building work that is stated in the edition of the VOB, Part B (general contractual conditions for carrying out building work) which is valid at the time when the contract is awarded. Our General Conditions of Purchase also apply to future purchase contracts and to work contracts in the case that we are the buyer or customer; even if no reference is made to them expressly.

I. Quotations

- 1.) Quotations require to be made in the written form and they must be submitted free of charge. The preparatory costs (e.g., journeys and drawing up the plans) are born by the supplier or contractor.
- 2.) Quotations must include the information that is required for the processing by us, especially our enquiry number or purchase order number, our material number and the name of the person who is dealing with the case.

II. Purchase orders

Our purchase order and all of the agreements that are made with us require to be confirmed by us in the written form via a fax or an e-mail.

III. Confirmation of order

- 1.) Insofar as it is not agreed separately, every purchase order must be immediately confirmed by the supplier or contractor and it is subject to giving information about the person who is dealing with the case, the material number and the purchase order number.
- 2.) If we do not receive the confirmation of order immediately, then we will be entitled to withdraw from the contract without it being possible to derive any claims against us, irrespective of whatever legal reason.

Geschäftsführer
Thomas Langer
Philipp Lehnert
Christian Röpke

V.A.T. No. DE 171877285
Handelsregister Bremen
HRB 16 058 HB
Erfüllungsort und
Gerichtsstand Bremen

IV. Prices

- 1.) The prices that are shown in our purchase order are binding. They include the packing and packaging, inspection certificate for materials according to the valid standard, the certificate of origin and the other licences like for example the CE, CSA and UL labels, as well as free delivery to the delivery address with customs duties paid.
- 2.) The statutory value-added tax is included in the price, insofar as it is not shown separately.
- 3.) We reserve the right to send back the packaging material to the supplier or contractor at his cost.
- 4.) Invoices have to include the delivery address, the name of the person who is dealing with the case, the purchase order number, our material number, the delivered quantity, the price and all of the information that is required according to the turnover tax law; the invoices will not be due for payment for as long as that is not the case.

V. Delivery and the manufacturer's obligations

- 1.) The period of delivery and the delivered quantity as stated in our purchase order are binding.
- 2.) The supplier or contractor is obligated to immediately inform us in writing as soon as he recognizes that he cannot comply with the period of delivery entirely or partly. If no new period of delivery is agreed subsequently, then we will be entitled to withdraw from the contract without any claims against us and arising from that being vested in the supplier or contractor. This rule also applies if the delay has been caused by official instructions, a strike or force majeure, or both.
- 3.) If the supplier or contractor is delayed with the delivery according to the contract and especially if it is defective, then we can demand from the supplier or contractor an all-inclusive compensation of 1% per week of the contract's agreed value – but not more than 5% of the contract's agreed value – for the damage that has been caused by the delay, in the case that he is culpable for exceeding the agreed final deadline. If the accounting is made with reference to the calculated quantities and a provisional contract sum is agreed, then this will be the basis. If interim deadlines are agreed and a quantified partial remuneration is agreed for this purpose, then we are entitled to demand an all-inclusive compensation for the damage caused by delay of 1% of the contract's agreed value per week – but not more than 5% of the contract's agreed value – in the case of culpably exceeding the agreed interim deadline. If the accounting is made with reference to calculated quantities and a provisional contract sum is agreed, then this will be the basis. The all-inclusive compensation for damages because of exceeding an interim deadline will be set off against the all-inclusive compensation for damages that is owed because of exceeding the final deadline. The all-inclusive compensation for damages is therefore the maximum of 5% of the contract's basic value in all circumstances. However, we are entitled to prove higher damages and to make a claim that is substantiated by proof. We reserve the right to assert all further legal claims. The supplier or contractor has the right to prove to us that we have not incurred any damages, or that we have incurred damages that are substantially lower than the all-inclusive damages.

VI. Despatch

- 1.) The supplier or contractor is obligated to state the place of delivery, the date of the purchase order, the purchase order number, the material number and the name of the person who is dealing with the case, in clearly visible positions on the despatch papers, delivery notes, freight papers, packaged articles, adhesive labels or stickers, etc.
- 2.) The material risk will only pass to us when the goods have been received at the final destination.

VII. Warranty and liability for material defects

- 1.) The supplier or contractor vouches that the delivered goods or work is free of defects, as well as that it complies with the legal provisions and the official ordinances.
- 2.) The warranty (time limit of liability for material defects) is agreed to be five years from the passage of risk. If the statutory period of warranty is longer, or if the period of warranty that the supplier or contractor offers or which is agreed with him in individual cases is longer, then this longer time limit will apply.
- 3.) Our statutory obligation to immediately examine the goods and complain about them is waived, except in the case of apparent defects. The supplier or contractor is obligated to subject the goods to a meticulous inspection of quality before delivering them. Our notices of defects as the complaining customer will at least be timely regarding this matter, whenever they are made within two weeks after establishing the defect.
- 4.) We can decide at our discretion whether to demand that the supplier or contractor remedies the defect including all consequential damages arising from the defect, or that he delivers a flawless article during the course of subsequent performance. The supplier or contractor is obligated to bear all of the expenses that are incurred for the purposes of subsequent performance. The claims and rights that are vested in us concerning the defects remain unaffected. The warranty period will begin anew in the case of a new delivery. The same thing applies in the case of repairing the article, insofar as the repaired article has the same defect or the repair has been made defectively.
- 5.) We are entitled to remedy the defects ourselves or to arrange for them to be remedied if there is a particularly urgent need or if the supplier or contractor is delayed with the warranty. A particularly urgent need will be present especially if there is an imminent standstill of production, a breakdown, or if the commissioning that is not done within the stipulated time limit, or if there is a contractual penalty. The supplier or contractor will bear the costs of the warranty work that we arrange.

VIII. Liability

- 1.) The liability of the supplier or contractor is orientated to at least the legal provisions otherwise. If liability claims are made against us, then the supplier or contractor will be obligated to exempt us from these claims in this respect, insofar as they originate from his area of control and organization and he would be liable himself in the case of a direct legal relationship.
- 2.) The supplier or contractor undertakes to maintain a third-party liability insurance with a reasonable amount of cover regarding that eventuality. The further claims for compensatory damages which are vested in us will not be affected as a result.
- 3.) The supplier or contractor undertakes to comply with the regulations about minimum wages within the scope of the law on minimum wages and to follow the regulations about the minimum conditions in the workplace that apply to him: he will confirm this compliance to the purchaser or buyer on demand as well as unsolicitedly when presenting an invoice and especially when presenting the final invoice. An invoice from the supplier or contractor that does not include this confirmation will not be due for payment. The purchaser or buyer is entitled to arrange for a person who is legally obligated to maintain professional confidentiality (an auditor or tax advisor) to consult the business documents of the supplier or contractor at any time, in order to check whether the supplier or contractor is complying with his obligations. This regulation applies to the obligations of the supplier or contractor vis-à-vis the holiday fund and the social-security benefits office. It is an essential contractual duty for the supplier or contractor to comply with his aforementioned obligations.

IX. Reservation of ownership and observance of secrecy

- 1.) We accept a reservation of ownership by the supplier or contractor if and insofar as it is expressly agreed outside the General Terms and Conditions of Business.

2.) All of the documents (e.g., drawings, plans, calculations, samples, models, data-carriers, electronic data-processing records and programmes) that we place at the disposal of the supplier or contractor, remain our property. The documents must be treated strictly confidentially and they are not allowed to be made accessible to third parties without our express written permission. They must be given back to us immediately on demand or unsolicitedly as soon as they are not needed any longer at the latest. The documents are only allowed to be utilized for business transactions with us.

3.) The supplier or contractor is not entitled to use our firm and our brands or trademarks. Information – especially about research work or development work and our business activity – that the supplier or contractor receives while implementing the order, must be kept secret during the order and after it has ended. The supplier or contractor will agree with the purchaser or buyer in writing whenever he wants to commercially exhibit or advertise his work or services for the purchaser or buyer. He has to refer to the purchaser or buyer as his customer in that case.

4.) We retain ownership of the parts that we provide. The treatment and processing will be done for us. If the parts that we provide are connected with objects that are foreign for us, or mixed with them, then we will acquire the co-ownership of this article according to the ratio of our article's value with the foreign article's value.

X. Tools, moulds and equipment

The tools, moulds and equipment that we have paid for completely or partly are our property or co-property and they are only placed at the disposal of the supplier or contractor on loan.

XI. Payment

- 1.) We are entitled to pay at our discretion as follows:
 - within 14 days from receiving the goods and invoice, less 2 % discount,
 - 60 days after receiving the goods and invoice, net.
- 2.) Our payments do not signify either an approval of the goods or an acceptance according to a work contract.

XII. Assignment

The assignment of the claims that are vested in us against the supplier or contractor is excluded unless we would have consented to it in writing beforehand.

XIII. Suspension

We are entitled to suspend placing of the purchase orders for the duration of three months insofar as no other agreement has been made. We will reimburse the supplier or contractor with the requisite costs of storage during this period in return for proof. The supplier or contractor cannot claim any further costs. The period of delivery will be prolonged according to the duration of the suspension.

XIV. Cancellation

We are entitled to cancel placing of the purchase orders. We bear the costs of the work that has been incurred up to the point in time of the cancellation, as well as the costs of materials, insofar as the supplier or contractor proves them. The supplier or contractor has to invoice us for the costs. The prerequisite for paying these costs is the prior assignment and delivery to us of the products that have been manufactured or procured according to the purchase orders up to that date.

XV. Miscellaneous

1.) The legal relationships between our contracting party and ourselves are subject to the law of the Federal Republic of Germany and they exclude the so-called UN Purchase Law.¹

2.) The place of performance¹ is our company's registered head office. This location is also the place of jurisdiction² for all settling all disputes that arise from the business relationship with the supplier or contractor. Nevertheless, we are entitled to sue the supplier or contractor at his registered head office.

3.) The legal relationships between the supplier or contractor and ourselves are solely subject to the law of the Federal Republic of Germany and they exclude the UN Purchase Law.¹

4.) If one or several of the aforementioned clauses is or are inoperative or invalid, then this circumstance will not affect the operativeness of the remaining provisions.

¹ domicilium executandi

² domicilium disputandi

³ United Nations Convention on Contracts for the International Sale of Goods.

Status: July 2018