

GENERAL TERMS AND CONDITIONS for Deliveries and Services to Entrepreneurs

of Aerumtec GmbH (version of April, 2024)

1. Scope

- 1.1 These General Terms and Conditions for Deliveries and Services to Entrepreneurs shall apply to all contracts, declarations of contracts, goods and services of Aerumtec GmbH (hereinafter "**Aerumtec**") unless otherwise individually agreed. These General Terms and Conditions for Deliveries and Services to Entrepreneurs shall apply also to all future provision of goods and services or offers made by Aerumtec, even if no separate further agreement has been entered into in respect thereof. However, these General Terms and Conditions shall not apply to consumers within the meaning of § 13 German Civil Code (BGB).
- 1.2 These General Terms and Conditions for Deliveries and Services to Entrepreneurs shall apply exclusively. Any general terms and conditions of the Customer shall not apply even where Aerumtec has not separately objected to them in any individual case. Even if Aerumtec refers to a letter or writing containing or referring to the general terms and conditions of the Customer or any third party, or confirms selection fields on purchaser portals or similar electronic systems of the Customer that have to be activated for system-related reasons, this shall not constitute consent to the application of such general terms of business. The same shall apply accordingly in relation to any deliveries or payments.

2. Definitions

- 2.1 Some of the terms used related to the copper business in contractual documents of Aerumtec are not used consistently in the industry. Aerumtec, however, endeavours to use terminology consistently in the interests of transparent business relationships and customer communication. In order to avoid difficulties in their interpretation, we refer to the following definitions of the terms. These definitions form part of the contract. If the terms defined below are used in contractual documents, they have the meaning given below:
- 2.1.1 BFIX: The exchange rate from USD to Euro published by Bloomberg; the exchange rate at Frankfurt 2pm is decisive.
- 2.1.2 Camden: The price of copper published by the International Wire Group (IWG), which is based on the COMEX listing and includes the expected copper price movements for the next two weeks. It is published every two weeks by the IWG at www.iwg-copper.com.
- 2.1.3 COMEX: Price for copper in USD on the New York Mercantile Exchange, COMEX Division (Commodity Exchange Inc.), which has licensed warehouses for gold, silver and copper.
- 2.1.4 Effective cross section: The effective cross section is the actual geometric cross section of a conductor (where applicable, inside a cable). Small tolerances are possible due to production processes.
- 2.1.5 Total price: For copper cables, the total price is generally made up of the adder price and the final sales price for the copper product.
- 2.1.6 GIRM: The GIRM (Groupement d'Importation et de Répartition des Métaux) publishes a copper value based on the LME. It can be accessed at www.kme.com/fr. The listing is mainly used in France.
- 2.1.7 Adder price: The adder price gives the price for the cable without the metal content, which is calculated separately.
- 2.1.8 Copper base/copper base price: The copper base price is a standard value agreed with the Customer (e.g. EUR 150/100 kg). Stating the copper base price (e.g. EUR 150/100 kg) is intended to make it easier to compare quotations. On the basis of a hypothetical copper listing of, for example, EUR 150/100 kg, a total price is calculated, which can be compared to other quotations that are calculated based on a different or the same hypothetical copper listing. The actual price to be paid may deviate significantly upwards or downwards depending on the actual copper listing as a considerable copper surcharge may have to be paid in some cases. It is therefore not possible to ascertain the actual invoice amount or a ballpark indication of its amount from this price.
- 2.1.9 (Copper) premium or Cupremium: The term describes the costs incurred to transform the raw copper ore into a usable format, i.e. up to a copper cathode. These costs are usually fixed by our suppliers for a calendar year and are passed on to customers. Aerumtec incurs the costs in USD; they are converted into EURO using the average value of the ECB exchange rate from the 4th calendar quarter of the previous year.
- 2.1.10 Copper premium on average: The copper premium on average is charged by suppliers to Aerumtec for deliveries of copper invoiced on monthly average price (or other periods on average).
- 2.1.11 Copper premium on the unknown: The copper premium on the unknown is incurred for copper deliveries to Aerumtec that are settled on the daily quotation or prompt fixing unknown in advance.
- 2.1.12 Final sales price for the copper product: The final sales price for the copper product is calculated based on the agreement with the Customer. Calculation factors are normally the delivery quantity, the type of cable, the copper sales factor and a copper price model.
- 2.1.13 Copper price model: The copper price model is a copper invoicing model agreed with the Customer which determines which amount, taking various factors into consideration, such as a certain listing over a certain period, is to be used as an invoicing value for the copper component when invoicing

the Customer.

- 2.1.14 Copper sales factor: The copper sales factor is a purely commercial calculation factor that is used to calculate the total price of a cable. Although customarily expressed in the business in kg/km, the copper sales factor does not indicate the quantity or weight of the actual copper contained in the cable. It is a purely arithmetic calculation factor that does not give any direct indication of the quantity of copper used in the cable.
- 2.1.15 Copper surcharge: The copper surcharge is calculated based on the difference between the copper price model agreed with the Customer and the copper base price agreed with the Customer, which is multiplied by the copper sales factor. The following formula is used to calculate the copper surcharge:
- $$\text{Copper surcharge [€/km]} = \text{Copper sales factor [kg/km]} \times \frac{(\text{agreed copper price model [€/100 kg]} - \text{copper base price [€/100 kg]})}{100}$$
- 2.1.16 Aerumtec (as an exchange key): Continually updated Aerumtec prices for various copper alloys, which are made up of at least two elements. The respective formula is based on the chemical composition of the respective alloy.
- 2.1.17 LME: Exchange price on the London Metal Exchange for copper in USD. The value "Daily Settlement Cash ASK" is decisive. The conversion into Euro is done according to BFIX.
- 2.1.18 LME Alu: London Metal Exchange price for aluminium in USD. The value "Daily Settlement Cash ASK" is decisive. The conversion into Euro is done according to BFIX.
- 2.1.19 MK: The "metal listing for copper" (German: Metallnotierung Kupfer) refers to the metal base price calculated by the largest European manufacturer of semi-finished copper products. The MK price is based on the LME listing plus additional price components and is accessible at www.westmetall.com.
- 2.1.20 Nominal cross section: Nominal cross section is the cross section specified in certain documents. This does not always correspond to the actual cable cross section, but it is a good basis for standardisation and calculations. The electrically effective cable cross section for metal cables is determined by measuring the electrical resistance (generally the DC resistance) and, due to the different constructions of the individual types of cable and additional processing effects, does not categorically correspond to the geometric cable cross section, which would be derived from the nominal cross section and the standard values for specific resistances. It is therefore a nominal value that indicates certain operational characteristics and possible uses. This is to be expressly indicated when using the term.
- 2.1.21 Nominal: The use of the term "nominal" with reference to a number indicates that it refers to an abstract indicator. The specific number indicated may differ from the actual number; however, a number given as "nominal" indicates an approximate value that is generally present based on the standards and experience.
- 2.1.22 SHME: The Shanghai Metal Exchange (SHME), a state futures exchange in China, is a non-profit, self-regulating corporation. The exchange was created for trading in non-ferrous metals including copper, aluminium, lead, zinc, tin and nickel. The listing is normally used in China.
- 2.1.23 WME/Westmetall: Westmetall GmbH & Co. KG is an internationally oriented trading company for non-ferrous metals. Its core business is trading the commodity metals copper, tin, nickel and lead as well as copper alloys. Daily prices for these metals are published online at www.westmetall.com. Aerumtec uses these mainly for alloys.
- ### 3. Conclusion of Contract / Call Orders / Delivery / Default of Acceptance / Obligations of the Customer
- 3.1 Conclusion of Contract/Call Orders
- 3.1.1 Any contracts (order and acceptance) require text form. If, in any individual case, the parties make other arrangements or agreements, such arrangements or agreements must be confirmed in detail in text form without delay. Orders must correspond to Aerumtec's offer or contain express references to any deviations; and if any such deviations are contained, express acceptance by Aerumtec is required.
- 3.1.2 Call orders must be scheduled and accepted by the Customer within six months after conclusion of the contract. If the Customer does not make use of an agreed call-off within six months after conclusion of the Contract, Aerumtec shall be entitled, at its option, and after setting a grace period of two weeks, to either demand immediate acceptance and payment for the goods or to withdraw from the contract or to claim damages for non-performance.
- 3.1.3 If, after conclusion of any contract, circumstances become known which justify doubts regarding the creditworthiness of the Customer, Aerumtec shall be entitled to set a reasonable deadline within which the Customer must either make payment concurrently with delivery of goods or provide security. After the expiry of such deadline without the condition being satisfied, Aerumtec may withdraw from the contract or demand advance

payment. In the event of withdrawal, the Customer shall not be entitled to assert any claims for breach.

3.2 Delivery

3.2.1 Stated delivery dates or periods are not binding unless they are explicitly designated as binding by Aerumtec. Compliance with certain delivery periods and delivery dates is subject to the condition that Aerumtec itself is supplied correctly and in good time, provided Aerumtec cannot be accused of gross negligence in selecting the supplier(s) or the specific procurement. If delays become apparent, Aerumtec will inform the Customer as soon as possible and will immediately refund any consideration already paid by the Customer. Aerumtec does not assume any warranty for a specific transport time.

3.2.2 Aerumtec's compliance with agreed delivery periods or deadlines shall be subject to the timely performance of the obligations incumbent on the Customer (in particular, receipt of all documents, plans, drawings, data, material supplies, necessary permits and releases to be provided by the Customer) as well as compliance with agreed terms of payment and other obligations by the Customer. If these obligations are not met in time, the deadlines shall be extended accordingly; the foregoing shall not apply if Aerumtec is responsible for the delay.

3.2.3 Aerumtec shall be entitled to make partial deliveries of goods and partial services to the extent this is reasonably acceptable for the Customer. Excess or short deliveries of up to 10% of the contractual quantity as are customary in the industry as well as production-related short lengths shall not constitute a defect or deficiency and must be accepted by the Customer. Invoicing shall be based on the quantities actually delivered.

3.2.4 In cases of force majeure or other events that were unforeseeable at the time of conclusion of the contract and for which Aerumtec is not responsible, such as war, natural disasters, epidemics or pandemics, operational disruptions, strikes, lockouts or official orders, delivery deadlines/dates shall be extended by the duration of the hindrance and a reasonable ramp-up period. This shall also apply if these circumstances occur at Aerumtec's suppliers or their sub-suppliers. Aerumtec will inform the Customer immediately in a case of force majeure. If such disruption leads to a delay in performance of more than three months, either party may withdraw from the contract. If performance becomes impossible or impractical as a result of the aforementioned circumstances, Aerumtec is entitled to withdraw from the contract in whole or in part with regard to the part not yet performed. Aerumtec will immediately reimburse the Customer for any consideration already provided by the Customer. In this case the Customer is not entitled to any claims for damages against Aerumtec. Any statutory rights of withdrawal remain unaffected by this.

3.2.5 In the event of non-performance or delay, the Customer must grant Aerumtec a reasonable grace period as defined in clause 3.3.6 sentence 2. The Customer is only entitled to claims for damages due to delay insofar as Aerumtec's liability is not excluded or limited in accordance with the provisions of clause 12.

3.2.6 If it becomes impossible for Aerumtec to make delivery or render performance, the Customer can withdraw from the contract with effect for the unfulfilled transactions without setting a deadline. In such a case Aerumtec may also withdraw from the contract with effect for the unfulfilled transactions. In such cases, the parties may also withdraw from the contract with effect for the completed transactions if there is absolutely no interest in partial delivery and performance. In the event of impossibility for which Aerumtec is responsible, Aerumtec is liable only to the extent that Aerumtec's liability is not excluded or limited in accordance with the provisions of clause 12.

3.3 Default of acceptance / Obligations of the Customer

3.3.1 If the Customer is in default of acceptance, Aerumtec shall be entitled – beginning one month after notification of readiness for dispatch - to charge the Customer for the storage costs incurred, but at least 0.5% of the invoice amount for each month or part thereof, up to a maximum of 5% of the agreed price of the goods with regard to which the Customer is in default. The Customer shall be entitled to prove that no damage or a lower damage has been incurred. Aerumtec reserves the right to prove a higher amount.

3.3.2 It is the Customer's responsibility to observe export and/or import conditions and restrictions. The Customer shall provide Aerumtec with all relevant information at its request as well as indemnify Aerumtec for any and all claims and sanctions in accordance with clause 13 in the event of non-compliance with the conditions and restrictions by the Customer. If the Customer becomes aware of circumstances that prevent the import of the goods, the Customer must inform Aerumtec thereof without delay. If the procurement of the necessary import documents is uncertain, Aerumtec is entitled to withdraw from the contract after setting a grace period for compliance of two weeks.

3.3.3 The Customer shall provide Aerumtec at its request with all information required for compliance with the statutory provisions and support Aerumtec in this regard (e.g. CE marking, RoHs, Reach, etc.).

3.3.4 In case of deliveries to countries of the European Union, the Customer shall provide Aerumtec with its valid VAT identification number to be used at the time of ordering. If the Customer fails to provide Aerumtec with this number or does not do so in a timely manner or if it subsequently turns out that the VAT identification number provided is invalid, Aerumtec reserves the right to charge VAT at the rate applicable locally in addition

to the purchase price. The objection of contributory negligence is excluded; this also applies insofar as Aerumtec is legally obliged to check the VAT identification number. In addition, the Customer shall provide Aerumtec with the necessary EU confirmation of receipt of goods within 10 days of receipt of the goods as well as the CMR consignment note countersigned by the recipient of the goods. If individual EU member states impose different or additional requirements for proof of entitlement to tax exemption for intra-community deliveries, the Customer undertakes to provide Aerumtec with this additional proof. If Aerumtec does not receive the above-mentioned evidence in due time, Aerumtec is entitled to statutory VAT in addition to the agreed purchase price.

3.3.5 In cases of export to countries outside the European Union, the Customer shall provide Aerumtec with such documentation as required under the applicable tax regulations immediately after delivery of the goods. If the Customer fails to comply with this obligation, Aerumtec is entitled to demand compensatory damages.

3.3.6 If the Customer has to grant Aerumtec a reasonable grace period in accordance with applicable law, this shall remain unaffected by these terms and conditions. Unless there is imminent danger, a reasonable grace period shall be at least half of the original delivery period and not less than 20 working days; in cases of imminent danger, the grace period shall be at least 10 working days.

3.3.7 The obligations of the Purchaser arising from clauses 3.2.2, 3.3.2, 3.3.4 and 3.3.5 constitute contractual duties and not simple obligations.

4. Prices and Payment

4.1 All prices and transport costs are based on the current costs at the time of conclusion of the contract. If Aerumtec provides its deliveries and services after more than four months from the time of conclusion of the contract and the cost price (in particular wage and material costs) on which Aerumtec has based its price quotations to the Customer subsequently increases or decreases significantly, Aerumtec is entitled or obliged to adjust its price to the Customer appropriately. A change in the cost price within the meaning of sentence 1 shall be deemed to have occurred in particular if the prices for wages or supplied goods or materials become more expensive through no fault of Aerumtec, if customs duties or other import charges increase or if the currency parities change significantly to Aerumtec's disadvantage compared with the conditions prevailing on the day the contract is concluded. A price adjustment due to cost increases is appropriate if its scope remains within the scope of the cost increases that have occurred in the meantime. Aerumtec will, upon request, disclose to the Customer the relevant reasons for the price adjustment; in particular, indices customary in the industry can be used as evidence for the subsequently increased cost price. If the price adjustment leads to a price increase of more than 20% and Aerumtec does not comply with a written request by the Customer to limit the price adjustment to the scope of 20% within two weeks, the Customer is entitled to withdraw from the contract; the Customer shall have no further claims. The rescission must then be effected without delay.

4.2 Prices are quoted FCA Aerumtec delivery plant (INCOTERMS 2020), plus the applicable value added tax. Unless otherwise agreed, packaging and freight costs shall be borne by the Customer.

4.3 Purchase of Empties / Repurchase of Empties

4.3.1 Empties, in particular transportation equipment such as coils, drums and kegs etc. ("Empties") shall be invoiced separately and the Customer shall pay for them at the same time as it pays for the goods delivered. Ownership of the Empties shall pass to the Customer upon full payment ("Purchase of Empties").

4.3.2 The Customer has the right to return Empties which are in a proper, clean and reusable condition, to Aerumtec's delivery plant at the Customer's own cost and risk within a period of six months from the date of the invoice (offer). The purchase price shall not exceed the original purchase price from the Purchase of Empties (section 4.3.1). Aerumtec shall inspect the Empties immediately after delivery by the Customer, insofar as this is feasible in the ordinary course of business, and, if a defect is found, shall notify the Customer immediately of the defect. Aerumtec does not purchase back Empties that have a defect. A defect shall be deemed to exist, in particular, if the Empties are not in a proper, clean and reusable condition. Otherwise, Aerumtec shall inform the Customer in writing within five working days of return of the Empties whether Aerumtec accepts the offer (acceptance). In such case, the Customer will be reimbursed in full for the purchase price of the Empties and ownership of the Empties shall pass to Aerumtec upon full payment ("Repurchase of Empties"). Otherwise, the Customer's offer shall be deemed rejected. Aerumtec shall not accept returns of single-use designs, unless there is a legal obligation to do so.

4.4 In the event that Aerumtec and the Customer, by derogation from clause 4.3, agree to provide the Empties to the Customer on loan, the Customer shall return them to Aerumtec's delivery plant at the Customer's own expense and risk within six months of the invoice date. In the event of any damage to the Empties caused by the Customer, Aerumtec shall be entitled to claim compensation from the Customer for the costs of repairs incurred. The same shall apply in regard to the costs of any necessary cleaning. In the event that the Empties have become unusable as a result of the damage or insofar as repair is not economically viable at Aerumtec's reasonable discretion, the Customer must reimburse the value of the Empties. In the event that the Empties are not returned in a timely manner, Aerumtec is

- entitled to invoice the value of the Empties after setting a grace period of two weeks. The Empties become the property of the Customer upon full payment thereof.
- 4.5 Tool costs shall be charged separately without the Customer acquiring any rights to the tools.
- 4.6 Discount promises are subject to the reservation that all due claims are settled.
- 4.7 Offsetting against counterclaims of the Customer or withholding of payments on account of such claims shall only be admissible if the counterclaims are undisputed or have been established as final and absolute. § 812 BGB remains unaffected.
- 4.8 Aerumtec is entitled to set off against all claims that the Customer has against Aerumtec with any and all claims that Aerumtec has against the Customer. Furthermore, Aerumtec is entitled to set off all claims to which Aerumtec is entitled against the Customer against all claims to which the Customer is entitled against affiliated companies, regardless of the legal grounds. The current overview of the affiliated companies can be viewed on the internet at <https://aerumtec.com/de/kontakt/>. Upon request, the Customer will receive information about the group of affiliated companies at any time.
- 4.9 Aerumtec is entitled to assign the claims arising from the business relationship and to pass on the related data on condition that the assignee undertakes to maintain the same confidentiality as Aerumtec.
- 4.10 The issuance of credits and refunds shall not constitute any acknowledgment of fault or any legal obligation.
- 5. Terms of Shipping**
- 5.1 The risk shall pass to the Customer when the goods leave the factory or are reported to the Customer as ready for dispatch. At the request and expense of the Customer, Aerumtec will take out an insurance policy on terms requested by the Customer.
- 5.2 Deliveries to the Customer will be made FCA Aerumtec delivery plant (INCOTERMS 2020).
- 5.3 In the case of unforeseen events such as danger of war, the outbreak of armed conflicts, closure of shipping lanes and similar force majeure events as defined in clause 3.2.4 sentence 1, Aerumtec is entitled to pass on to the Customer any increases in freight and insurance costs caused by such events.
- 6. Retention of Title**
- 6.1 The goods shall remain Aerumtec's property until all present and future claims arising out of the business relationship with the Customer have been settled. The Customer shall store the goods separately. The retention of title also extends to acknowledged outstanding balances insofar as Aerumtec enters claims against the Customer in a current account (reservation in respect to current account).
- 6.2 The Customer is deemed to carry out any modifications or processing on behalf of Aerumtec without Aerumtec incurring any obligations as a result. The Customer shall transfer and assign to Aerumtec in advance any co-ownership shares arising out of any comingling or combination of the retention of title goods with other items of property, effective as of the time it receives the retention of title goods. The Customer shall safeguard the products or overall items of property on behalf of Aerumtec.
- 6.3 The Customer may only sell the retention of title goods and the items of property resulting from the modification or processing thereof subject to Aerumtec's retention of title, and may not impair Aerumtec's retention of title rights by making any dispositions over the goods (e.g. transfer by way of security or pledge). Aerumtec may revoke the Customer's authorisation to resell the goods constituting Aerumtec's property or co-owned by Aerumtec at any time and may demand that the Customer provide security wherever the Customer fails to properly discharge its payment obligations.
- 6.4 The Customer shall notify Aerumtec without delay in writing of any actual or legal interference with the retention of title goods by third parties as well as any damage to or loss of the retention of title goods.
- 6.5 All claims derived by the Customer from the resale of the retention of title goods or based on other legal grounds in respect thereof (including any and all current account receivables) are hereby assigned now and in advance to Aerumtec. If the retention of title goods are sold together with other items of property not belonging to Aerumtec or if they are incorporated into deliveries under works and services contracts, the assignment shall be deemed to apply only up to the amount of the invoiced value of the retention of title goods. The Customer is obliged, on a revocable basis, to collect the receivables it has assigned to Aerumtec in its own name but for Aerumtec's account. This collection authorisation may be revoked at any time if the Customer fails to duly discharge its payment obligations.
- 6.6 To the extent that the realisable value of such security exceeds Aerumtec's receivables by more than 10%, Aerumtec shall select and release collateral upon request of the Customer.
- 6.7 For deliveries and services of EUR 20,000.00 or more Aerumtec is entitled to request an unconditional, unlimited and irrevocable security from a European bank or a bank letter of credit from the Customer for payment of the price.
- 7. Payment Default**
- 7.1 Aerumtec's claims for payment become due upon conclusion of the contract and are also payable before Aerumtec has rendered its services in full. The Customer will be in default if the Customer does not pay within 14 days of the invoice date.
- 7.2 In the event of default of payment by the Customer, Aerumtec's existing claims against the Customer arising from the business relationship shall immediately become due for payment in cash, irrespective of any payment terms agreed.
- 7.3 The Customer hereby grants Aerumtec a lien on the materials provided for the execution of the contract and on any claims replacing it as security for all present and future claims arising from the business relationship with the Customer. If the Customer is in default of payment or credit default, Aerumtec is entitled to realise the pledged material by private contract at the stock exchange price of the London Metals Exchange, or in the event of non-listing at the average German market price on the day of the default of payment or credit default.
- 8. Agreement on the conditions of the goods and Warranty**
- 8.1 Agreement on the conditions of the goods
- 8.1.1 The freedom from defects of the purchased goods shall only be determined by the agreement on the conditions of the goods. All product descriptions which are the subject of the individual contract or which were publicly announced by Aerumtec (in particular in catalogues or on the homepage) at the time of the conclusion of the contract shall be deemed to be an agreement on the conditions of the goods.
- 8.1.2 All specifications and information provided by Aerumtec regarding the suitability and usability of the goods are - unless expressly agreed otherwise - non-binding and do not release the Customer from its own test obligations.
- 8.1.3 Statements regarding RoHS compatibility, compliance with the REACH regulation as well as the freedom of the goods from conflict raw materials and other product requirements are based on the information provided by the manufacturer / supplier of the respective material. No warranty is given for the correctness and completeness of this information and any liability for incorrectness or incompleteness of this information is limited to the extent determined in clause 12.
- 8.2 Warranty
- 8.2.1 These terms and conditions do not grant any guarantees. Aerumtec excludes any kind of updating obligations. Otherwise, the Customer shall be entitled to the statutory warranty rights in accordance with the following provisions:
- 8.2.2 Immediately upon receipt of the goods, the Customer shall inspect the goods for compliance with the contract, in particular for completeness as well as condition and, if applicable, transport damage. Visible deviations, defects and damages are to be notified to Aerumtec immediately, at the latest within 5 working days of receipt, hidden defects within the same period after discovery, by written or textual notification with detailed explanation, otherwise the warranty shall lapse.
- 8.2.3 All claims for defects shall be subject to the condition precedent that the Customer has reported the defect to Aerumtec without delay in writing or electronically after detection prior to any modification or processing and that a sample of the goods giving rise to the complaint has been provided. Transport damage must be noted on the consignment note and the delivery bill and confirmed by the driver with his signature.
- 8.2.4 Notwithstanding legal regulations, there is no warranty if damages result from improper handling of the goods. Furthermore, there is no warranty if the Customer modifies the goods or has them modified by third parties without Aerumtec's consent and the elimination of the defect is thereby rendered impossible or unreasonably difficult. In any case, the Customer must bear the additional costs of remedying the defect arising from the modification.
- 8.2.5 The warranty only applies in case of substantial defects. Substantial defects are those which impair the suitability or value of the delivery in such a way that it cannot be used by the Customer in accordance with the quality/use specified in the contract. In the case of insignificant defects, only a reduction of the purchase price shall be considered instead of further legal regulations applicable to defects not remedied by subsequent performance.
- 8.2.6 In the event of a material defect or defect of title within the period of limitation for defects pursuant to clause 8.12 below, Aerumtec will, at its discretion, either restore the goods to their contractual condition or provide a replacement free of charge and freight to the contractual place of delivery against return of the defective goods.
- 8.2.7 Aerumtec shall bear the expenses necessary for the purpose of subsequent performance, in particular transport, travel, labour and material costs (with the exception of costs incurred because the goods were subsequently taken to a place other than the contractually agreed place of delivery) if a defect actually exists. Otherwise Aerumtec may claim reimbursement from the Customer of the costs incurred as a result of the unjustified claim for rectification of defects, unless the lack of defect was not recognisable to the Customer. Subsequent performance does not include either removal of the defective item or reinstallation if Aerumtec was not originally obliged to install it. Irrespective of this, disproportionality pursuant to § 439 para. 4 BGB (German Civil Code) shall be deemed to exist if installation and/or removal costs individually or jointly exceed 50% of the original delivery

value; Aerumtec may then refuse to provide the entire subsequent performance (including any reimbursement of costs).

- 8.2.8 Replaced goods become the property of Aerumtec. The warranty provisions of these terms and conditions shall again apply to replaced parts, unless replacement is made solely as a gesture of goodwill on the part of Aerumtec.
- 8.2.9 If the repair or replacement delivery fails, the Customer may withdraw from the respective individual order contract or claim a reduction in price. The subsequent performance shall only be deemed to have failed after two unsuccessful attempts. If the Customer has a right to withdraw from the contract within the framework of the statutory provisions in accordance with these terms and conditions, the Customer must declare within ten working days after the occurrence of the preconditions if the Customer is able and willing to withdraw from the contract, otherwise the Customer is only entitled to a reduction in price in addition to compensation for damages, unless Aerumtec's liability is excluded or limited in accordance with clause 12.
- 8.2.10 Aerumtec does not owe any recourse in accordance with § 445a BGB (German Civil Code), provided that the last contract in the supply chain is not a sale of consumer goods; recourse by Aerumtec in accordance with § 445a BGB (German Civil Code) shall in this case be excluded in particular if Aerumtec has only delivered parts or if Aerumtec has only assembled parts for deliveries.
- 8.2.11 To the extent Aerumtec has provided an express guarantee of quality and/or durability with respect to the goods delivered or portions thereof (§ 443 German Civil Code (BGB)), Aerumtec shall be liable within the scope of such guarantee. However, Aerumtec shall only bear liability for losses based on the failure of the goods to comply with the guaranteed quality or durability but which do not directly occur in the goods as delivered, where the risk of such losses is obviously covered by Aerumtec's guarantee.
- 8.2.12 Notwithstanding § 438 (1) No. 3 BGB (German Civil Code), the general limitation period for claims arising from material defects and defects of title is one year from delivery. If, however, the goods are a building or an object that has been used for a building in accordance with its usual purpose and has caused its defectiveness (building material), the limitation period shall be five years from delivery in accordance with the statutory provisions (§ 438 para. 1 No. 2 BGB (German Civil Code)). Other mandatory statutory special regulations on the statute of limitations (in particular § 438 para. 1 no. 1, para. 3 BGB (German Civil Code), §§ 444, 445b BGB (German Civil Code)) shall remain unaffected. However, the suspension of expiry pursuant to § 445b para. 2 BGB shall end no later than five years after the date on which Aerumtec has delivered the goods to the Customer; this shall not apply insofar as the last contract in the supply chain is a sale of consumer goods.

9. Intellectual Property Rights

- 9.1 Unless agreed otherwise, Aerumtec shall provide the goods and services free of any intellectual property rights and copyright of third parties (hereinafter "IPR") only in regard to the country in which the place of performance is located. If any third party asserts a legitimate claim against the Customer for infringement of IPRs by goods and services provided by Aerumtec and utilised in line with the contract, Aerumtec may be liable to the Customer within the term specified in clause 8.12 hereof only as follows:
- 9.1.1 Aerumtec may at its discretion and its own expense either obtain a right of use for the deliveries concerned, modify such so that the IPR is not infringed or replace such. If this is not possible for Aerumtec under reasonable conditions, the Customer is entitled to the statutory rights to withdrawal or reduction of purchase price.
- 9.1.2 Any obligation of Aerumtec to pay damages is governed by clause 12.
- 9.1.3 The obligations of Aerumtec referenced above shall only apply insofar as the Customer informs Aerumtec immediately in writing of the claims asserted by the third party, does not acknowledge any infringement and reserves for Aerumtec the right to all defensive measures and settlement negotiations. If the Customer ceases to use the goods and services for reasons of mitigation of damages, it shall be obliged to alert the third party to the fact that its cessation of use thereof is not associated with any acknowledgment of any alleged infringement of IPR.
- 9.2 Claims of the Customer shall be excluded to the extent that the Customer is responsible for the infringement of property rights.
- 9.3 Claims of the Customer are further excluded if the infringement of the property right is caused by special instructions of the Customer, by an application not foreseeable by Aerumtec or by the fact that the delivery is modified by the Customer or used together with products not supplied by Aerumtec.
- 9.4 If property rights of third parties are infringed by deliveries based on drawings or other information provided by the Customer, the Customer is obliged to indemnify Aerumtec in accordance with clause 13.
- 9.5 In the event of other defects of title, the provisions of clauses 8.6 to 8.10 shall apply accordingly.
- 9.6 Claims of the Customer against Aerumtec and its vicarious agents other than those regulated in this clause 9 are excluded.

10. Principles of the UN Global Compact

- 10.1 For Aerumtec conducting business with integrity is of essential importance. This applies not only in the context of supply relationships but in all

commercial activities. Accordingly, Aerumtec has issued a code of behavior (Aerumtec Code of Conduct), that indicates compliance with the law and conducting business with integrity. However, even independent of that code, it must be an express aim both of Aerumtec and of the Customer to act in line with the guidelines in the UN Initiative Global Compact (Davos, January 99) and to observe those principles.

- 10.2 The following principles are of particular significance in this regard: Respect for human dignity and human rights, the prohibition of child labour, the prohibition of compulsory labour, the prohibition of discrimination, respect for the right of free association and of the relevant national standards on compensation, working time and health and safety at the workplace, environmental protection and anti-corruption measures. The Customer hereby undertakes to accordingly see to it that the above-referenced principles are adhered to and implemented within its own organisation.
- 10.3 A serious breach or repeated breaches of the principles referenced in clause 10.2 by the Customer shall render the continuation of the supply relationship unreasonable to Aerumtec. In such case, Aerumtec shall be entitled to terminate a contract without notice for good cause, both with respect to individual agreements and with respect to any master agreements with the Customer.

11. Confidentiality, Reservation of Copyrights, Industrial Property Rights and other rights

- 11.1 Aerumtec reserves all property rights, copyrights and industrial property rights to all documents, materials and other objects (e.g. offers, catalogues, price lists, cost estimates, quotations, plans, drawings, illustrations, calculations, product descriptions and specifications, manuals, samples, models and other physical and/or electronic documents, information and objects) provided to the Customer by Aerumtec.
- 11.2 The Customer is obliged not to disclose to third parties any confidential information (including business secrets) that the Customer becomes aware of through the business relationship with Aerumtec. Employees in the business operations of the Purchaser are not third parties in this sense, provided that they are also subject to a confidentiality obligation. Confidential information is information of any kind (e.g. technical or business data, documents or knowledge / know-how) and / or prototypes / samples which the Customer receives in connection with the contractual relationship, irrespective of the type and form of transmission or knowledge of such information. No confidential information in the above sense is information that (i) was already lawfully known to the Customer prior to the time of transfer by Aerumtec without an obligation of confidentiality, (ii) is already publicly known at the time of transfer or becomes publicly known thereafter without a breach of this obligation of confidentiality by the Customer, (iii) has been communicated to the Customer by a third party, unless the Customer is aware or should have been aware that the third party has breached a confidentiality obligation by its communication, which it has assumed vis-à-vis Aerumtec, or (iv) has been developed by the Customer independently of and without recourse to the Confidential Information. If the Customer invokes one or more of the aforementioned exceptions, it must prove the existence of the respective requirements. The Customer is prohibited from obtaining Confidential Information by way of reverse engineering. "Reverse engineering" shall mean all actions, including observing, testing, investigating and dismantling and, if necessary, reassembling, with the aim of obtaining confidential information. The obligation of confidentiality does not apply if the Customer is obliged to disclose the confidential information by law or due to an official or court decision which is final and absolute. In this case, the Customer shall inform Aerumtec immediately of the obligation to disclose. In addition, the Customer will make it clear in the course of disclosure that, if this is the case, it concerns business secrets and will endeavour to ensure that the provisions of §§ 16 ff. GeschGehG (German Law on the Protection of Trade Secrets) are applied. If the Customer violates its obligations under this clause, it shall owe a contractual penalty of EUR 10,000.00, unless it is not responsible for the violation of its obligations.

12. Liability

- 12.1 Aerumtec is liable - irrespective of the legal grounds - only for gross negligence and intent as well as for the breach of such obligations, the fulfillment of which is essential for the proper execution of the contract and on the observance of which the Customer may regularly rely ("essential obligations").
- 12.2 With regard to the slightly negligent breach of a material obligation, Aerumtec's liability is limited to damages foreseeable at the time of conclusion of the contract and typical for that type of contract. In the event of damage caused by delay, Aerumtec's liability is limited to a maximum of 5 % of the net value of the goods if, as a result of the delay or non-delivery, the goods cannot be used by the Customer on time or in accordance with the contract.
- 12.3 Aerumtec is not liable with regard to the slightly negligent breach of contractual obligations that are not material obligations. In all other cases Aerumtec's liability is limited to the net value of the goods.
- 12.4 Aerumtec is only liable for impossibility if it was aware of the impossibility at the time the contract was concluded or was unaware of it due to gross negligence.
- 12.5 Insofar as Aerumtec's liability is limited or excluded, this also applies to the liability of Aerumtec's employees, workers, staff, representatives and

vicarious agents.

- 12.6 The aforementioned limitations or exclusions of liability shall not apply in the event of fraudulent misrepresentation of defects, the assumption of a guarantee or a procurement risk, for liability under the Product Liability Act (Germany) or for physical injury (injury to life, body or health). This does not imply a change in the burden of proof to the disadvantage of the Customer.
- 12.7 Claims for damages against Aerumtec for which liability is limited under these terms and conditions shall become time-barred one year after they arise and the Customer becomes aware of the claim for damages.

13. Indemnity

The Customer shall indemnify Aerumtec upon first request against all claims of third parties which are based on a breach of duty by the Customer. This includes in particular the defence against direct claims or also official measures against the Customer or Aerumtec, the defence against indirect claims or official measures against Aerumtec, the provision of all necessary information and the assumption of legal costs and all other necessary expenses for defence. Without the prior consent of Aerumtec, the Customer may not conclude any agreements with third parties or authorities to Aerumtec's disadvantage.

14. Place of Performance, Jurisdiction and Venue, Arbitration Clause

- 14.1 The place of performance is Aerumtec's registered office in Weißenburg in Bayern.
- 14.2 The exclusive place of jurisdiction for all legal disputes arising from the content of the contract as well as its formation and effectiveness is the registered office of Aerumtec. However, Aerumtec shall also be entitled, at its own option, to assert claims against the Customer at the courts at the location of the Customer's place of business.
- 14.3 Aerumtec is entitled to assert claims against the Customer before an arbitration tribunal to be formed in Nuremberg or at the registered office of the Customer in accordance with the arbitration rules of the German Institution of Arbitration e.V. (DIS), in lieu of the ordinary courts. The number of arbitrators shall be three. Each party shall be entitled to appoint one arbitrator. The third arbitrator, who shall act as chairman of the arbitral tribunal and who must be a fully qualified lawyer, shall be selected by the other two arbitrators. The language of the arbitration court is German. The applicable substantive law shall be the law of the Federal Republic of Germany, excluding the conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG). The decision of the arbitral tribunal shall be final and binding on the parties.

15. Choice of Law

The law of the Federal Republic of Germany shall apply exclusively to the exclusion of the conflict of law provisions. The parties hereby agree that the UN Convention on the International Sale of Goods of 11 April 1980 (CISG) shall not apply.

16. Miscellaneous

- 16.1 Assignments and delegations of rights and duties of the Customer under the contract made with Aerumtec shall be valid only with Aerumtec's written consent. This does not apply insofar as it concerns the assignment of monetary claims.
- 16.2 In the event that any term of these Terms and Conditions and any further agreements made hereunder are or become void or invalid, the validity of the remaining provisions and of this Agreement shall remain unaffected thereby.